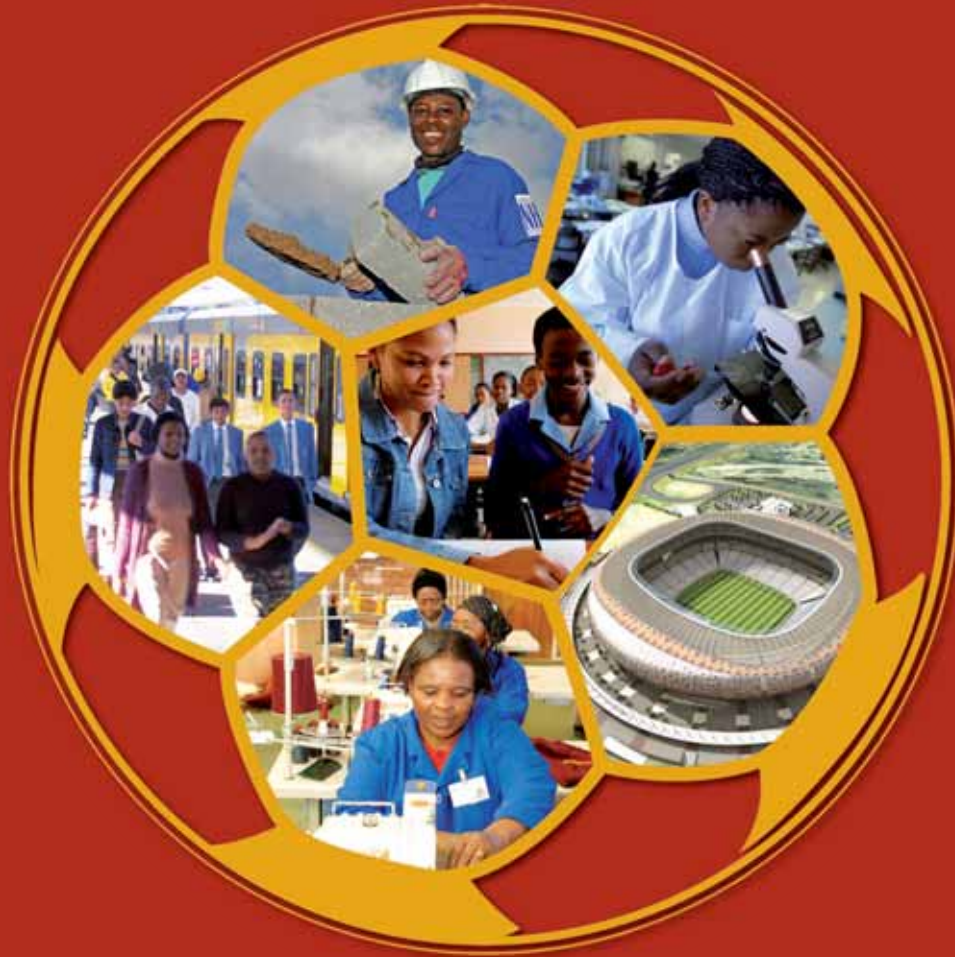


Vote 17 Labour



Estimates of National Expenditure 2010



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Estimates of National Expenditure

2010

National Treasury

Republic of South Africa

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The *Estimates of National Expenditure 2010* booklet for each vote is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision. In this booklet, more comprehensive coverage of goods and services, transfers, public entities and lower level institutional information is provided where applicable.

The *Estimates of National Expenditure 2010* as well as the *Estimates of National Expenditure 2010* booklets are also available on www.treasury.gov.za

Foreword

The Estimates of National Expenditure publication provides Parliament, departments and public entities, ministers, the media, civil society and the public with information about how tax payers' money is being spent: what it buys and for what purpose. Do not be concerned regarding the magnitude of this publication. Instead, let us use this unique reference tool to keep departments and agencies accountable and ensure that the expenditure of public funds achieves its intended policy outcomes, ultimately improving the welfare of our people.

Budgets link the policy choices that government makes with the services that are delivered to people – better budgeting plays an important role in improving service delivery. In line with the 2009 Medium Term Strategic Framework, government has adopted 12 desirable outcomes. At the output level, departments and agencies continue to set targets; for the first time these are in support of the attainment of officially stated outcomes. Budgeted spending on outputs and activities will increasingly reflect this.

Following the 2009 elections, a re-organisation of departments was proclaimed to give effect to the required government policy shifts and to accommodate the necessary changes in the programmes and activities of departments and entities. Several new national departments were created; some functions were transferred between departments. This also resulted in certain national departments being re-named to better capture the content of their new responsibilities. In terms of the new structure of government there are now 37 votes in the Estimates of National Expenditure publication, whereas in 2009 there were 34 votes.

This consolidated publication provides extensive vote level information on strategies and objectives. Legislation, policy developments and other factors affecting these are also noted. Information is presented in a format that aligns government's performance commitments with resource allocations. As with the 2009 Budget, we will publish booklets for individual votes that will provide full coverage of public entities and more detail on transfers and lower level institutional information.

Given the current economic climate, there are greater trade-offs in choosing between spending priorities or in the sequencing of programme implementation. Outputs and activities are constantly being re-evaluated to determine if more effective and cost efficient options are available. As a result, some programmes have to be delayed. Alongside the additions to spending, this publication also indicates details per national vote of savings amounting to R23 billion over the period ahead. These savings have been reallocated to other departments in order to augment funding for government's priorities.

All the figures, targets and outputs result from a wide ranging intergovernmental consultative process, leading to executive approval of additional spending allocations and savings. Many people have contributed to making this publication possible, especially my colleagues in national departments and agencies. Their collaboration and understanding during the allocation and publication processes has been invaluable. Thanks are also due to the dedicated National Treasury team for the publication of this useful resource.



Lesetja Kganyago

Director-General: National Treasury

Introduction

Transparent and accountable governance is strengthened when comprehensive budget documents are tabled for public scrutiny and legislative oversight. The Estimates of National Expenditure provides relevant public sector financial information in a timely and systematic manner, linking performance targets to budgeted expenditure. Specifically, it serves to:

- provide members of Parliament with detailed information on how departments and public entities plan to spend the money that is to be authorised by the legislature
- enable Parliament and society to keep departments and agencies accountable for service delivery commitments that are set out in each chapter
- provide parliamentary committees with a valuable source of information that can assist them in performing their oversight functions.

Although it contains a large volume of information, the 2010 Estimates of National Expenditure presents a summarised account of the spending plans of all national departments and agencies for the next three financial years (2010/11 to 2012/13), expenditure outcomes for the past three years (2006/07 to 2008/09) and revised estimates for the current year (2009/10). Newly formed departments are covered in the same way. Information is also provided on legislation and mandates, policy, strategies, objectives and performance targets over the seven-year period – as well as any changes in these, particularly as they relate to trends in planned expenditure. This provides a platform for review that could result in new policy options or operational alternatives in the achievement of government's objectives.

In keeping with ongoing improvements in the way that public finances are managed and reported, both the quality of information and presentation of the 2010 Estimates of National Expenditure have been enhanced. Information on new departments is mostly covered by way of a separate chapter, although in some cases departments are accommodated within a shared vote and discussed together in the same chapter. Information on savings and cost effective service delivery is included under a separate heading following the strategic overview section. Spending on selected key mega infrastructure projects is discussed in text boxes in the expenditure trends sections of relevant votes. For some votes a new personnel table has been included, showing personnel numbers in relation to the different salary levels and other information, such as the number and type of posts on funded establishment and posts filled. The 2010 Estimates of National Expenditure booklets, which are published separately for each vote, provide more extensive coverage on transfers, public entities, goods and services and lower level institutional information.

Value for money

Budget accountability has historically focused mainly on targeting the performance of government departments and agencies at the output level. Government has now adopted an approach which provides a new methodology that is focused on the attainment of 12 desirable outcomes, using measurable outputs and well defined activities to achieve better value, as well as better value for money. The medium term expenditure framework (MTEF) for the next three years targets spending on government's official outcomes and simultaneously seeks to change the culture in the public service towards greater prudence and efficiency in order to obtain better value for money.

The Ministry for the National Planning Commission and the Ministry for Performance Evaluation and Monitoring are to ensure that planning and implementation in government institutions are focused on the achievement of outcomes and the improvement of performance. In line with this service delivery orientation, new functions and a reconfiguration of existing functions have led to a new national government structure. Taking account of the creation of new departments, 37 votes are now contained in the 2010 Estimates of National Expenditure. The table below provides a list of the new votes and alongside each, the department/s from which functions have been shifted in order to form the basis of the new department.

Newly created vote	Department/s from which all or some functions have been shifted
Agriculture, Forestry and Fisheries	Agriculture Water Affairs and Forestry Environmental Affairs and Tourism
Water Affairs	Water Affairs and Forestry
Human Settlements	Housing Water Affairs and Forestry
Environmental Affairs	Environmental Affairs and Tourism
Tourism	Environmental Affairs and Tourism
Basic Education	Education
Higher Education and Training	Education Labour (still exists)
Cooperative Governance and Traditional Affairs	Provincial and Local Government
Defence and Military Veterans	Defence
Economic Development	Trade and Industry (still exists)
Energy	Minerals and Energy
Mineral Resources	Minerals and Energy
International Relations and Cooperation	Foreign Affairs
Police	Safety and Security
Rural Development and Land Reform	Land Affairs Provincial and Local Government
Women, Children and People with Disabilities	The Presidency (still exists) Justice and Constitutional Development (still exists)

Savings

Given the shortfall in government revenue collection and the pressure on the available resources of the fiscus, this year's budget preparation has focused extensively on finding savings within departmental and agency baselines and on redirecting expenditure towards key priorities within these institutions. Savings arise from effecting changes in public sector spending habits and instituting cost-cutting measures. Over the period ahead, government is to reform procurement systems, rationalise public entities and review a range of programmes – in order to accommodate increased spending on government's priorities in the attainment of its desired outcomes.

During the Budget process, judgements on value for money in achieving outcomes are made by examining funding requests in relation to the implementation plans and costings presented, among other considerations. There is extensive consultation with departments, agencies and intergovernmental forums before proposals are presented to the ministers' committee on the budget¹, approved by Cabinet and then tabled in Parliament.

National departments undertook a rigorous budget baseline savings exercise, and identified R23 billion in savings over the medium term: R6.5 billion in 2010/11, R8.6 billion in 2011/12 and R7.9 billion in 2012/13.

1. A committee of cabinet ministers tasked with considering budgetary issues before they are presented to Cabinet.

About R2.6 billion in savings has been identified over the three years at local government level. Every endeavour was made to decrease spending on non-core goods and services, reschedule expenditure over time in the case of delays, effect exchange rate savings in respect of payments to foreigners, reduce transfers to certain public entities, improve financial management, reduce expenditure on administration in favour of frontline services and find alternative sources of financing.

Major savings amounts over the medium term expenditure framework period are:

- Defence and Military Veterans: R4.5 billion (cancellation of the A400M military aircraft contract)
- Social Development: R1.2 billion (slower uptake of social grants than anticipated and rationalisation of the South African Social Security Agency payments system)
- International Relations and Cooperation: R1.5 billion (revision of foreign costs and deferral of the building of the Pan African Parliament)
- Correctional Services: R4.8 billion (rescheduling of prison building plans)
- Transport: R3.4 billion (deferral of public transport infrastructure projects where planning and design have been delayed).

Additional allocations

The revised national Budget framework provides for additional expenditure by departments of R20.7 billion in 2010/11, R26 billion in 2011/12 and R39.9 billion in 2012/13. Including the government savings of R25.6 billion identified across all spheres, in total an additional R112.2 billion is allocated to government institutions to fund government's key priorities over the next three years. Of the R112.2 billion, national departments receive R56.2 billion (50.1 per cent): R13.1 billion in 2010/11, R18.2 billion in 2011/12 and R24.8 billion in 2012/13. Provinces and municipalities receive the remainder. Conditional grants to provinces and municipalities are reflected in both national budgets and the budgets of provinces or municipalities.

A summary of additional funding by national vote is provided below. Information on direct charges against the National Revenue Fund and the amounts for the provincial and local equitable shares are excluded. Adjustments to provincial and local conditional grants have been included. Details are only noted for national votes receiving relatively large additional allocations for implementing new programmes or extending existing programmes. The total amounts per vote in the discussion below represent the gross additional allocations, before the deduction of savings. This means that these total amounts are all bigger than the overall net change in the budget of a particular vote and therefore they do not balance to the amounts reflected in table 2. In the discussion that follows, these vote totals will be referred to as the *gross total allocation*, received over the MTEF period. In some instances, the savings on a specific vote exceed the *gross total allocation* to that vote and the overall net change in the budget is actually negative.

Central government and financial and administrative services

An amount of R448 million is the gross total allocation to **Parliament's** vote. This is mainly to enhance the capacity of the Office of the Speaker, including provision for the establishment of a budget office in terms of the Money Bills Amendment Procedure and Related Matters Act (2009). Also included is provision for increasing the capacity of the Parliamentary oversight committees.

National Treasury receives an addition of R1.1 billion for the neighbourhood development partnership grant for the regeneration of townships through the development of social and economic infrastructure. An amount of R1.5 billion is allocated in the first two years of the MTEF period for the recapitalisation of the Land Bank.

Social services

The gross total allocation to **Health** amounts to R8.8 billion, most of which is for transfers to the provinces. R8.4 billion is provided for the broadening of HIV and AIDS treatment programmes, in support of the rapid expansion of the antiretroviral treatment rollout. R50 million has been set aside for a mass immunisation campaign to combat measles and polio.

Social Development's gross total allocation is R12.5 billion, mainly this is for the extension of the child support grant up to 18 years of age, as a major intervention against child poverty.

Most of the gross total allocation of R3.1 billion to **Basic Education** is for transfers to provinces. An amount of R2.7 billion is allocated for the provision of workbooks in all official languages for grades R to 9, and R28 million is provided for national numeracy and literacy assessments for grades 3, 6 and 9. An additional R120 million is allocated for the national school nutrition programme.

A gross total allocation of R2.4 billion is set aside for **Higher Education and Training**, of which R1 billion is for subsidies for higher education institutions and R1.3 billion is a provincial conditional grant for further education and training colleges.

Justice, crime prevention and security

Police is allocated additional funding of R1.5 billion for an increase in police officers, the establishment of the Directorate for Priority Crime Investigation (the Hawks) and police station property management.

Gross total allocations to **Defence and Military Veterans** amount to R4.7 billion. R2.2 billion is for improving the South African National Defence Force remuneration system. R220 million is provided for expanding the military skills development system intake and R600 million for upgrading the *Landward Defence* programme.

Correctional Services is to receive gross total additional funding amounting to R2.8 billion. This covers the cost of the occupation specific salary dispensation for correctional officials and the impact of the general government employee wage increase.

Economic services and infrastructure

Human Settlements is to receive a R1 billion allocation for upgrading informal settlements and establishing community settlements. The rural household infrastructure grant is allocated R1.2 billion, specifically to support rural communities.

Funds for **Rural Development and Land Reform** are mostly for the rural development programme. An additional allocation of R860 million is for improving the quality of life within rural communities and broadening the base of agricultural production.

Energy receives a gross total allocation of R4.6 billion. R4.5 billion is to provide for part of the capital costs of building a pipeline for fuel from Durban to the Highveld. This allocation will be financed through the fuel levy imposed for this purpose.

Cooperative Governance and Traditional Affairs has a gross total allocation of R10.7 billion. The biggest vote allocation provides for an increase of R2.5 billion for the municipal infrastructure grant, to enable the further expansion of basic services infrastructure delivery aligned to government's 2014 universal access goals. R1.5 billion is allocated for the community work programme, within the expanded public works programme, which enables the non-governmental sector to assist government in providing guaranteed employment on a project basis.

A gross total allocation of R3.8 billion is set aside for **Trade and Industry**. Of this, R3.5 billion is shared equally by the clothing and textile sector and the automotive industry. A further R274 million is allocated for critical infrastructure and regulatory institutions such as the Competition Commission, the Companies and Intellectual Property Commission and other consumer orientated institutions.

Transport's R2.9 billion gross total addition includes funding for the secondary strategic road network, the Passenger Rail Agency of South Africa and the procurement of buses for the 2010 FIFA World Cup.

The main allocation of R500 million for the **Water Affairs** vote is for regional bulk infrastructure to roll out the basic services and water supply in support of human settlement development, in line with government's commitment to universal access by 2014. R498 million is also allocated for the working for water and working on fire programmes, within the expanded public works programme.

Overview of expenditure

The main Budget provides for total expenditure of R818.1 billion in 2010/11, increasing to R888.3 billion in 2011/12 and R964.3 billion in 2012/13. Non-interest expenditure comprises on average 90.1 per cent of total main Budget expenditure, and grows at an average annual rate of 7.6 per cent over the MTEF period. These budgeted estimates provide for a contingency reserve set aside to deal with unanticipated events, amounting to R6 billion in 2010/11, R12 billion in 2011/12 and R24 billion in 2012/13.

The allocations in the main Budget are detailed in the pages of this publication, with a consolidated account provided in the summary tables below.

Summary tables

Table 1: Main budget framework

Table 2: Additional allocation to national votes

Table 3: Expenditure by national vote

Table 4: Expenditure by economic classification

Table 5: Amounts to be appropriated from the National Revenue Fund

Table 6a: Conditional grants to provinces

Table 6b: Conditional grants to municipalities

Table 7: Training expenditure per vote

Table 8: Infrastructure expenditure per vote

Table 9: Personnel expenditure per vote

Table 10: Departmental receipts per vote

Table 1. Main budget framework 2006/07 to 2012/13

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue (National Revenue Fund)							
Tax revenue (gross)	495 548.6	572 814.6	625 100.2	590 425.0	647 850.0	721 477.0	818 298.0
Departmental and other receipts, and repayments	10 843.3	11 671.7	12 616.2	8 982.6	10 380.3	11 483.2	12 379.4
Less: Southern Africa Customs Union payments	-25 194.9	-24 712.6	-28 920.6	-27 915.4	-14 991.3	-11 211.0	-22 781.0
Total revenue	481 197.0	559 773.8	608 795.7	571 492.1	643 239.0	721 749.2	807 896.4
<i>Percentage of GDP</i>	<i>26.2%</i>	<i>26.9%</i>	<i>26.2%</i>	<i>23.3%</i>	<i>23.8%</i>	<i>24.3%</i>	<i>24.5%</i>
Expenditure							
State debt cost	52 192.2	52 877.1	54 393.7	57 599.8	71 357.6	88 462.7	104 022.0
<i>Percentage of GDP</i>	<i>2.8%</i>	<i>2.5%</i>	<i>2.3%</i>	<i>2.4%</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>
Current payments ¹	77 911.5	88 599.8	103 563.2	119 215.8	130 938.5	141 636.6	148 890.9
Transfers and subsidies	332 685.1	391 023.5	458 352.8	530 553.1	579 667.8	634 811.7	674 058.0
Payments for capital assets ¹	6 067.8	7 182.9	8 780.8	8 687.9	9 290.5	10 676.6	13 342.9
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 760.0	20 888.6	750.0	-
Contingency reserve	-	-	-	-	6 000.0	12 000.0	24 000.0
Total expenditure	470 192.5	541 495.7	636 063.5	748 816.5	818 142.9	888 337.6	964 313.8
<i>Percentage of GDP</i>	<i>25.6%</i>	<i>26.0%</i>	<i>27.4%</i>	<i>30.6%</i>	<i>30.3%</i>	<i>29.9%</i>	<i>29.3%</i>
Budget deficit²	11 004.5	18 278.1	-27 267.7	-177 324.3	-174 904.0	-166 588.4	-156 417.4
<i>Percentage of GDP</i>	<i>0.6%</i>	<i>0.9%</i>	<i>-1.2%</i>	<i>-7.2%</i>	<i>-6.5%</i>	<i>-5.6%</i>	<i>-4.7%</i>
<i>GDP</i>	<i>1 833 191.0</i>	<i>2 081 626.0</i>	<i>2 320 117.0</i>	<i>2 449 857.9</i>	<i>2 699 888.0</i>	<i>2 967 560.3</i>	<i>3 295 748.7</i>

1. Excludes conditional grants to provinces and local government, which are included in transfers and subsidies.

2. A positive number reflects a surplus and a negative number a deficit.

Table 2. Additional allocation to national votes 2010/11 to 2012/13¹

R million	Medium term expenditure estimates			Total
	2010/11	2011/12	2012/13	
Central Government Administration	1 882.8	3 072.3	7 510.5	12 465.6
1 The Presidency	85.6	106.5	117.1	309.1
2 Parliament	145.9	150.0	152.5	448.4
3 Cooperative Governance and Traditional Affairs	1 206.7	2 557.8	6 958.5	10 723.1
4 Home Affairs	224.0	80.7	87.3	392.1
5 International Relations and Cooperation	92.6	105.6	115.4	313.5
6 Public Works	97.1	35.5	38.5	171.1
7 Women, Children and People with Disabilities	31.0	36.1	41.2	108.3
Financial and Administrative Services	1 826.9	1 837.5	1 381.0	5 045.4
8 Government Communication and Information System	24.5	25.3	25.7	75.4
9 National Treasury	1 721.7	1 660.0	1 298.6	4 680.3
10 Public Enterprises	38.7	3.2	3.5	45.4
11 Public Service and Administration	10.2	11.9	12.9	35.0
12 Statistics South Africa	31.9	137.2	40.3	209.4
Social Services	5 143.8	8 479.1	13 507.1	27 130.0
13 Arts and Culture	15.3	18.1	19.4	52.8
14 Basic Education	800.8	1 052.5	1 278.0	3 131.3
15 Health	1 930.7	2 896.1	3 998.8	8 825.6
16 Higher Education and Training	421.1	761.3	1 249.0	2 431.4
17 Labour	59.2	49.1	51.9	160.3
18 Social Development	1 910.3	3 694.0	6 900.6	12 505.0
19 Sport and Recreation South Africa	6.3	7.9	9.3	23.6
Justice, Crime Prevention and Security	3 899.4	4 730.2	6 437.0	15 066.6
20 Correctional Services	883.1	919.4	952.8	2 755.3
21 Defence and Military Veterans	1 092.7	1 400.3	2 190.1	4 683.2
22 Independent Complaints Directorate	2.2	4.6	5.8	12.7
23 Justice and Constitutional Development	358.9	529.2	686.1	1 574.1
24 Police	1 562.5	1 876.7	2 602.1	6 041.3
Economic Services and Infrastructure	4 296.7	5 684.4	8 184.8	18 166.0
25 Agriculture, Forestry and Fisheries	57.2	195.8	310.8	563.8
26 Communications	5.1	5.9	6.4	17.4
27 Economic Development	115.0	160.0	175.0	450.0
28 Energy	1 528.8	1 544.4	1 546.8	4 620.0
29 Environmental Affairs	88.8	111.3	216.6	416.7
30 Human Settlements	242.9	360.5	1 761.3	2 364.7
31 Mineral Resources	20.3	33.2	43.0	96.5
32 Rural Development and Land Reform	301.2	348.1	352.1	1 001.4
33 Science and Technology	34.7	40.8	93.7	169.2
34 Tourism	47.7	63.3	74.9	185.9
35 Trade and Industry	905.6	1 294.0	1 638.8	3 838.3
36 Transport	495.8	1 081.6	1 359.3	2 936.7
37 Water Affairs	453.7	445.6	606.1	1 505.4
Total	17 049.6	23 803.6	37 020.3	77 873.6

1. Excludes additional allocations on provincial equitable share and other direct charges against the National Revenue Fund.

Table 3. Expenditure by national vote 2006/07 to 2012/13

R million	Audited Outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Central Government Administration				
1 The Presidency	224.4	651.4	312.4	694.8
2 Parliament	755.1	902.1	1 135.1	1 108.0
3 Cooperative Governance and Traditional Affairs	24 571.6	30 026.2	35 343.2	36 683.5
4 Home Affairs	2 546.9	3 241.7	4 666.6	5 263.8
5 International Relations and Cooperation	2 944.7	4 069.7	5 472.3	5 553.0
6 Public Works	3 025.8	3 402.3	4 197.0	5 890.1
7 Women, Children and People with Disabilities	49.6	52.5	61.9	68.2
Financial and Administrative Services				
8 Government Communication and Information System	293.1	380.9	427.5	496.8
9 National Treasury	16 171.0	18 966.2	31 312.1	62 845.6
10 Public Enterprises	2 589.8	4 604.0	3 265.1	3 991.2
11 Public Service and Administration	583.7	609.6	630.6	682.8
12 Statistics South Africa	1 096.6	1 054.3	1 323.1	1 715.2
Social Services				
13 Arts and Culture	1 329.9	1 585.8	2 114.5	2 632.1
14 Basic Education	1 571.6	2 165.3	3 284.4	4 474.4
15 Health	11 338.0	12 762.7	15 464.5	18 423.5
16 Higher Education and Training	14 292.2	15 997.3	18 765.9	20 696.6
17 Labour	1 343.3	1 431.5	1 507.2	1 709.2
18 Social Development	61 676.1	67 191.4	76 096.7	86 508.2
19 Sport and Recreation South Africa	886.5	5 048.0	4 871.4	2 883.9
Justice, Crime Prevention and Security				
20 Correctional Services	9 251.2	11 122.4	12 822.6	13 834.5
21 Defence and Military Veterans	23 817.6	25 180.1	27 801.3	31 325.3
22 Independent Complaints Directorate	65.3	80.9	99.3	116.5
23 Justice and Constitutional Development	5 853.8	7 194.0	8 244.4	9 721.0
24 Police	32 634.9	36 525.9	41 635.2	47 622.0
Economic Services and Infrastructure				
25 Agriculture, Forestry and Fisheries	2 711.0	3 858.6	3 465.0	3 874.5
26 Communications	1 319.6	1 911.8	2 328.6	2 470.5
27 Economic Development	238.7	245.1	220.4	316.2
28 Energy	1 930.8	2 189.1	2 918.4	3 756.9
29 Environmental Affairs	1 164.2	1 654.1	1 882.7	2 244.2
30 Human Settlements	7 178.2	8 716.1	11 147.4	14 036.2
31 Mineral Resources	676.8	758.2	811.6	925.1
32 Rural Development and Land Reform	3 724.6	5 896.6	6 663.7	6 401.4
33 Science and Technology	2 613.0	3 127.3	3 703.5	4 261.7
34 Tourism	853.5	1 065.1	1 211.8	1 155.7
35 Trade and Industry	3 566.1	5 050.2	4 836.6	6 085.9
36 Transport	13 360.4	16 331.6	24 838.6	24 238.5
37 Water Affairs	3 851.9	4 802.9	5 795.3	7 342.6
Total appropriation by vote	262 101.6	309 853.1	370 678.0	442 049.4
Plus:				
Direct charges against the National Revenue Fund				
President and Deputy President salary (The Presidency)	2.2	2.3	4.0	4.3
Members remuneration (Parliament)	223.3	240.7	356.9	376.7
State debt costs (National Treasury)	52 192.2	52 877.1	54 393.7	59 995.0
Provincial equitable share (National Treasury)	149 245.6	171 053.7	201 795.6	236 877.8
General fuel levy sharing with metros (National Treasury)	-	-	-	6 800.1
Skills levy and Setas (Higher Education and Training)	5 328.4	6 284.3	7 234.1	7 750.0
Judges and magistrates salaries (Justice and Constitutional Development)	1 099.3	1 184.5	1 601.1	1 669.7
Total direct charges against the National Revenue Fund	208 090.9	231 642.6	265 385.4	313 473.5
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 3. Expenditure by national vote 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
				Central Government Administration
691.8	722.6	772.2	810.5	The Presidency
1 108.0	1 179.2	1 238.6	1 288.4	Parliament
36 629.6	43 921.5	50 449.1	57 238.3	Cooperative Governance and Traditional Affairs
5 159.4	5 719.6	5 003.5	5 144.8	Home Affairs
5 508.0	4 824.4	5 087.0	5 393.0	International Relations and Cooperation
5 740.1	6 446.3	7 984.1	8 246.2	Public Works
68.2	97.8	108.3	114.9	Women, Children and People with Disabilities
				Financial and Administrative Services
496.8	546.2	507.1	515.4	Government Communication and Information System
62 512.7	50 219.9	33 127.9	34 265.6	National Treasury
3 991.2	350.6	186.8	196.2	Public Enterprises
681.0	651.5	657.1	684.1	Public Service and Administration
1 715.2	1 973.4	2 845.9	1 769.6	Statistics South Africa
				Social Services
2 440.1	2 406.7	2 417.4	2 562.7	Arts and Culture
4 197.9	6 166.2	7 549.8	8 099.3	Basic Education
18 025.5	21 497.0	23 707.9	25 844.7	Health
20 681.8	23 720.7	26 104.6	27 856.1	Higher Education and Training
1 674.4	1 783.9	1 866.6	1 942.5	Labour
86 108.2	95 929.1	105 715.4	114 023.7	Social Development
2 872.4	1 245.6	760.5	793.7	Sport and Recreation South Africa
				Justice, Crime Prevention and Security
13 834.5	15 129.0	16 027.4	18 277.2	Correctional Services
30 325.3	30 715.3	33 931.4	36 386.5	Defence and Military Veterans
116.5	129.3	144.1	152.4	Independent Complaints Directorate
9 673.3	10 250.5	11 083.7	11 730.6	Justice and Constitutional Development
47 622.0	52 556.4	56 916.6	60 390.8	Police
				Economic Services and Infrastructure
3 305.5	3 658.0	4 361.4	4 740.5	Agriculture, Forestry and Fisheries
2 354.5	2 114.0	1 814.1	1 630.4	Communications
316.2	418.6	494.4	520.3	Economic Development
3 740.2	5 535.4	5 739.6	5 538.7	Energy
2 244.2	2 607.8	2 817.5	3 058.7	Environmental Affairs
14 036.2	16 201.5	18 483.0	19 603.8	Human Settlements
924.0	1 030.0	1 112.1	1 168.0	Mineral Resources
6 401.4	6 769.6	7 972.9	8 360.1	Rural Development and Land Reform
4 261.7	4 615.5	4 968.8	4 560.2	Science and Technology
1 155.7	1 151.8	1 223.2	1 291.2	Tourism
5 988.8	6 150.1	6 757.4	7 264.0	Trade and Industry
24 164.1	25 086.3	27 960.1	29 169.5	Transport
6 969.8	7 996.6	9 090.2	9 628.2	Water Affairs
437 736.1	461 517.9	486 987.8	520 261.0	Total appropriation by vote
				Plus:
				Direct charges against the National Revenue Fund
4.3	4.6	4.8	5.1	President and Deputy President salary (The Presidency)
376.7	392.7	409.6	430.1	Members remuneration (Parliament)
57 599.8	71 357.6	88 462.7	104 022.0	State debt costs (National Treasury)
236 877.8	260 973.7	280 688.7	294 780.0	Provincial equitable share (National Treasury)
6 800.1	7 542.4	8 531.1	8 957.7	General fuel levy sharing with metros (National Treasury)
7 750.0	8 424.2	9 148.7	9 606.1	Skills levy and Setas (Higher Education and Training)
1 671.7	1 929.9	2 104.2	2 251.9	Judges and magistrates salaries (Justice and Constitutional Development)
311 080.3	350 625.0	389 349.8	420 052.9	Total direct charges against the National Revenue Fund
-	6 000.0	12 000.0	24 000.0	Contingency reserve
-	-	-	-	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 4. Expenditure by economic classification 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation
	2006/07	2007/08	2008/09	2009/10
Current payments				
Compensation of employees	49 574.2	56 243.2	64 973.4	76 392.8
Salaries and wages	41 022.9	46 738.9	53 788.3	63 755.1
Social contributions	8 551.3	9 504.3	11 185.1	12 637.7
Goods and services	28 335.8	32 354.3	38 587.4	44 065.4
Interest and rent on land	52 193.7	52 879.3	54 396.1	59 995.8
Interest (including interest on finance leases)	52 193.0	52 878.6	54 395.9	59 995.0
Rent on land	0.7	0.7	0.2	0.8
Total current payments	130 103.7	141 476.8	157 956.9	180 454.0
Transfers and subsidies to:				
Provinces and municipalities	205 438.3	243 233.9	289 397.3	345 879.0
Provinces	178 867.2	205 829.6	245 302.3	295 353.2
Provincial revenue funds	178 867.2	205 829.6	245 302.3	295 353.2
Municipalities	26 571.1	37 404.3	44 095.1	50 525.8
Municipal bank accounts	26 571.1	37 404.3	44 095.1	50 525.8
Departmental agencies and accounts	38 102.1	44 531.2	53 572.4	58 512.9
Social security funds	7.0	8.5	2 508.7	12.7
Departmental agencies (non-business entities)	38 095.0	44 522.7	51 063.6	58 500.3
Universities and technikons	11 056.0	12 003.8	13 897.7	15 437.4
Foreign governments and international organisations	919.3	936.0	1 010.6	1 266.8
Public corporations and private enterprises	13 424.4	18 764.3	20 170.1	20 061.4
Public corporations	9 872.3	14 155.2	14 694.3	17 851.2
Subsidies on products or production	4 101.1	3 691.7	4 676.1	5 188.9
Other transfers to public corporations	5 771.2	10 463.5	10 018.2	12 662.3
Private enterprises	3 552.1	4 609.0	5 475.8	2 210.2
Subsidies on products or production	3 339.6	4 111.4	5 193.5	1 855.1
Other transfers to private enterprises	212.5	497.6	282.3	355.1
Non-profit institutions	882.1	1 002.8	1 220.2	1 225.3
Households	62 862.9	70 551.4	79 084.5	91 029.5
Social benefits	59 569.1	65 170.5	73 611.2	85 989.9
Other transfers to households	3 293.8	5 381.0	5 473.3	5 039.6
Total transfers and subsidies	332 685.1	391 023.5	458 352.8	533 412.3
Payments for capital assets				
Buildings and other fixed structures	2 481.5	3 838.2	5 566.8	5 961.3
Buildings	2 376.9	3 325.7	4 893.8	4 843.3
Other fixed structures	104.6	512.5	673.0	1 118.0
Machinery and equipment	3 322.8	3 210.7	2 965.0	2 741.0
Transport equipment	1 522.3	1 528.0	1 419.6	1 467.8
Other machinery and equipment	1 800.5	1 682.7	1 545.4	1 273.1
Specialised military assets	-	-	-	27.6
Biological assets	0.7	11.2	2.7	1.1
Land and subsoil assets	31.5	27.4	49.0	-
Software and other intangible assets	231.4	95.5	197.4	167.4
Total payments for capital assets	6 067.8	7 182.9	8 780.8	8 898.3
Payments for financial assets	1 335.8	1 812.5	10 972.9	32 758.3
Total	470 192.5	541 495.7	636 063.5	755 522.9
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 000.0
Total	470 192.5	541 495.7	636 063.5	752 522.9

Table 4. Expenditure by economic classification 2006/07 to 2012/13

Revised estimate	Medium-term expenditure estimates			R million
	2009/10	2010/11	2011/12	
76 008.7	84 093.2	90 167.3	95 232.5	Current payments
				Compensation of employees
63 383.4	69 171.6	74 337.1	78 539.2	Salaries and wages
12 625.3	14 921.6	15 830.2	16 693.2	Social contributions
43 205.8	46 843.3	51 466.9	53 656.0	Goods and services
57 601.0	71 359.6	88 465.0	104 024.5	Interest and rent on land
57 600.2	71 358.7	88 464.1	104 023.5	Interest (including interest on finance leases)
0.8	0.8	0.9	1.0	Rent on land
176 815.6	202 296.0	230 099.3	252 913.0	Total current payments
				Transfers and subsidies to:
				Provinces and municipalities
345 167.9	381 726.9	417 237.3	442 587.4	Provinces
294 968.2	322 858.2	350 547.1	369 348.4	Provincial revenue funds
294 968.2	322 858.2	350 547.1	369 348.4	
50 199.7	58 868.7	66 690.2	73 239.0	Municipalities
50 199.7	58 868.7	66 690.2	73 239.0	Municipal bank accounts
57 114.3	58 456.5	65 123.0	68 388.7	Departmental agencies and accounts
12.7	11.6	12.4	13.0	Social security funds
57 101.6	58 445.0	65 110.6	68 375.7	Departmental agencies (non-business entities)
15 437.4	17 532.0	19 318.5	20 669.2	Universities and technikons
1 260.9	1 313.9	1 288.8	1 380.3	Foreign governments and international organisations
19 725.2	20 129.1	20 700.1	21 489.8	Public corporations and private enterprises
17 555.0	16 988.4	17 034.7	17 355.7	Public corporations
5 198.9	5 180.8	5 262.0	5 499.9	Subsidies on products or production
12 356.1	11 807.6	11 772.7	11 855.7	Other transfers to public corporations
2 170.1	3 140.7	3 665.4	4 134.1	Private enterprises
1 795.1	2 778.8	3 255.0	3 629.1	Subsidies on products or production
375.1	362.0	410.3	505.0	Other transfers to private enterprises
1 225.1	2 275.2	2 339.0	1 894.0	Non-profit institutions
90 622.4	98 234.2	108 805.0	117 648.6	Households
85 620.3	92 792.8	102 213.6	110 636.4	Social benefits
5 002.1	5 441.4	6 591.5	7 012.1	Other transfers to households
530 553.1	579 667.8	634 811.7	674 058.0	Total transfers and subsidies
				Payments for capital assets
5 862.9	5 994.9	7 237.3	9 660.6	Buildings and other fixed structures
4 743.8	4 537.4	4 836.4	6 935.7	Buildings
1 119.2	1 457.5	2 400.9	2 725.0	Other fixed structures
2 735.2	3 236.9	3 381.4	3 525.6	Machinery and equipment
1 467.8	1 352.7	1 474.3	1 690.0	Transport equipment
1 267.4	1 884.2	1 907.2	1 835.6	Other machinery and equipment
27.6	19.6	24.5	122.0	Specialised military assets
1.1	1.6	0.7	0.7	Biological assets
–	–	–	–	Land and subsoil assets
61.0	37.5	32.7	33.8	Software and other intangible assets
8 687.9	9 290.5	10 676.6	13 342.9	Total payments for capital assets
32 760.0	20 888.6	750.0	0.0	Payments for financial assets
748 816.5	812 142.9	876 337.6	940 313.8	Total
–	6 000.0	12 000.0	24 000.0	Contingency reserve
–	–	–	–	Projected underspending
748 816.5	818 142.9	888 337.6	964 313.8	Total

Table 5. Amounts to be appropriated from the National Revenue Fund for 2010/11

	Appropriated (including direct charges)	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease ¹	
R million	2009/10	2010/11						
Central Government Administration								
1	The Presidency	609.6	343.0	371.9	12.2	-	727.2	117.6
2	Parliament	1 350.7	1 275.4	284.8	11.7	-	1 571.9	221.2
3	Cooperative Governance and Traditional Affairs	35 604.4	619.7	43 288.5	13.3	-	43 921.5	8 317.0
4	Home Affairs	5 050.6	3 992.4	1 587.8	139.3	-	5 719.6	669.0
5	International Relations and Cooperation	5 337.0	3 688.6	820.2	315.7	-	4 824.4	-512.6
6	Public Works	5 298.0	2 042.8	3 029.6	1 373.9	-	6 446.3	1 148.3
7	Women, Children and People with Disabilities	64.0	39.3	51.9	6.6	-	97.8	33.8
Financial and Administrative Services								
8	Government Communication and Information System	482.0	355.5	187.4	3.4	-	546.2	64.2
9	National Treasury	354 795.2	72 806.9	296 522.2	14.5	20 750.0	390 093.6	35 298.4
10	Public Enterprises	3 797.3	174.7	36.7	0.6	138.6	350.6	-3 446.8
11	Public Service and Administration	596.3	376.9	271.6	2.9	-	651.5	55.2
12	Statistics South Africa	1 608.6	1 871.5	3.8	98.1	-	1 973.4	364.8
Social Services								
13	Arts and Culture	2 623.5	311.1	2 089.1	6.6	-	2 406.7	-216.7
14	Basic Education	3 929.9	1 777.1	4 385.1	4.1	-	6 166.2	2 236.3
15	Health	17 058.1	1 063.0	20 403.3	30.7	-	21 497.0	4 438.9
16	Higher Education and Training	25 259.6	382.4	31 752.7	9.8	-	32 144.9	6 885.3
17	Labour	1 671.0	1 259.9	515.2	8.8	-	1 783.9	112.9
18	Social Development	86 408.3	543.0	95 376.0	10.1	-	95 929.1	9 520.7
19	Sport and Recreation South Africa	2 859.9	192.9	1 047.6	5.1	-	1 245.6	-1 614.3
Justice, Crime Prevention and Security								
20	Correctional Services	13 238.6	14 007.7	13.1	1 108.3	-	15 129.0	1 890.5
21	Defence and Military Veterans	32 024.4	23 099.0	6 830.1	786.2	-	30 715.3	-1 309.1
22	Independent Complaints Directorate	114.9	126.0	0.1	3.3	-	129.3	14.5
23	Justice and Constitutional Development	11 278.6	9 984.8	1 567.9	627.7	-	12 180.4	901.8
24	Police	46 409.7	49 336.4	438.4	2 781.7	-	52 556.4	6 146.7
Economic Services and Infrastructure								
25	Agriculture, Forestry and Fisheries	2 903.5	1 773.5	1 836.5	47.9	-	3 658.0	754.5
26	Communications	2 266.9	483.2	1 626.7	4.1	-	2 114.0	-152.9
27	Economic Development	292.5	95.2	318.6	4.8	-	418.6	126.1
28	Energy	3 742.3	202.1	5 328.7	4.6	-	5 535.4	1 793.1
29	Environmental Affairs	2 261.0	910.2	1 224.3	473.3	-	2 607.8	346.8
30	Human Settlements	14 020.0	599.5	15 442.8	159.3	-	16 201.5	2 181.5
31	Mineral Resources	904.9	607.3	408.7	14.1	-	1 030.0	125.1
32	Rural Development and Land Reform	6 109.4	1 878.1	4 871.6	19.8	-	6 769.6	660.2
33	Science and Technology	4 234.1	362.0	4 249.5	4.1	-	4 615.5	381.4
34	Tourism	1 109.1	196.1	953.3	2.4	-	1 151.8	42.8
35	Trade and Industry	6 051.7	1 142.9	4 992.6	14.7	-	6 150.1	98.4
36	Transport	23 734.8	743.4	24 301.3	41.6	-	25 086.3	1 351.4
37	Water Affairs	7 462.4	3 632.8	3 238.5	1 125.3	-	7 996.6	534.2
Total	732 562.8	202 296.0	579 667.8	9 290.5	20 888.6	812 142.9	79 580.2	

1. A positive number reflects an increase and a negative number a decrease.

Table 6a. Conditional grants to provinces 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	–	–	29.7	–	–	–	–	
6	Public Works	710.1	836.6	889.3	1 501.2	1 401.2	1 483.8	1 962.0	2 060.1
Financial and Administrative Services									
9	National Treasury	4 983.5	6 276.2	7 384.5	13 449.2	13 449.2	11 314.9	13 091.2	14 007.6
Social Services									
13	Arts and Culture	–	163.2	344.6	440.6	440.6	512.7	543.4	570.8
14	Basic Education	1 242.5	1 376.9	2 114.1	2 575.4	2 575.4	3 931.4	5 048.1	5 447.4
15	Health	10 206.5	11 552.7	14 028.7	16 702.5	16 417.5	19 852.8	21 971.8	24 030.4
16	Higher Education and Training	1 973.7	2 435.3	3 005.8	3 168.3	3 168.3	3 772.7	3 972.0	4 169.1
19	Sport and Recreation South Africa	119.0	194.0	293.7	402.3	402.3	426.4	452.0	474.6
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	401.1	761.7	898.0	973.7	973.7	1 116.9	1 437.1	1 508.9
30	Human Settlements	6 677.8	8 149.9	10 177.9	12 592.3	12 592.3	15 160.6	17 222.4	17 938.7
32	Rural Development and Land Reform	8.0	–	–	–	–	–	–	–
35	Trade and Industry	58.2	–	–	–	–	–	–	–
36	Transport	3 241.0	3 029.4	4 340.3	6 669.9	6 669.9	4 312.4	4 158.5	4 360.9
Total		29 621.6	34 775.9	43 506.6	58 475.4	58 090.4	61 884.5	69 858.4	74 568.4

1. Detail provided in the Division of Revenue Act (2010).

Table 6b. Conditional grants to municipalities 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
3	Cooperative Governance and Traditional Affairs	6 138.4	8 954.1	9 308.4	11 633.5	11 633.5	12 740.9	15 293.3	18 557.9
6	Public Works	–	–	–	201.7	201.7	623.0	1 108.0	1 163.4
Financial and Administrative Services									
9	National Treasury	410.3	716.5	361.5	851.4	611.4	1 394.6	1 575.1	1 586.3
Social Services									
19	Sport and Recreation South Africa	600.0	4 605.0	4 295.0	2 168.7	2 168.7	512.6	–	–
Economic Services and Infrastructure									
28	Energy	390.7	462.5	589.1	1 108.0	1 092.2	1 240.1	1 376.6	1 151.4
36	Transport	518.0	1 174.0	2 928.7	2 428.0	2 428.0	3 709.9	4 436.1	4 136.7
37	Water Affairs	385.7	732.9	994.6	925.0	854.6	890.1	380.0	399.0
Total		8 443.1	16 645.0	18 477.3	19 316.2	18 990.1	21 111.1	24 169.1	26 994.8

1. Detail provided in the Division of Revenue Act (2010).

Table 7. Training expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
1	1.5	2.3	1.4	1.9	2.2	2.4	2.6
2	10.7	10.6	11.9	10.1	10.4	14.2	15.0
3	1.7	2.3	1.7	1.8	2.4	2.6	2.7
4	35.6	32.4	34.0	35.1	30.9	28.2	28.5
5	4.0	13.1	8.1	12.4	14.4	14.1	14.1
6	12.8	15.2	22.0	26.1	27.5	28.5	29.9
Financial and Administrative Services							
8	2.4	4.7	4.2	3.7	4.4	4.2	4.4
9	9.3	16.1	16.9	33.6	19.8	20.4	21.2
10	0.8	1.6	1.7	2.2	1.9	2.0	2.0
11	2.0	2.2	3.7	2.6	3.6	3.5	3.7
12	7.7	11.9	14.0	21.2	45.1	42.1	40.0
Social Services							
13	2.4	3.1	4.5	2.1	2.3	2.4	2.5
14	1.6	2.8	6.5	1.7	2.5	2.4	2.5
15	5.5	9.5	1.8	4.5	5.5	6.1	6.6
16	1.8	2.5	2.9	1.9	2.6	2.8	2.9
17	8.9	6.5	8.9	8.3	8.9	9.3	9.8
18	2.2	1.7	1.8	2.3	2.5	2.6	2.8
19	0.5	0.9	0.9	1.1	1.1	1.1	1.1
Justice, Crime Prevention and Security							
20	111.4	125.6	76.0	89.5	64.0	100.5	105.6
21	85.6	87.4	117.7	113.6	145.6	151.0	167.0
22	0.5	0.6	0.6	0.7	0.7	0.8	0.8
23	12.4	18.3	37.5	86.4	78.9	83.6	89.4
24	807.5	966.0	1 124.0	1 006.5	1 386.6	1 449.0	1 514.2
Economic Services and Infrastructure							
25	27.3	20.3	24.2	16.4	20.0	21.8	23.3
26	3.1	3.7	6.0	9.0	9.4	9.9	10.4
27	-	-	-	-	0.1	0.2	0.2
28	0.6	0.7	1.6	2.1	3.5	3.9	4.1
29	2.3	2.1	2.2	2.3	2.5	2.7	2.9
30	2.0	1.2	2.9	12.9	14.1	15.2	16.1
31	1.5	1.7	3.8	9.1	3.5	3.9	4.1
32	11.6	9.0	9.4	11.9	12.6	13.3	13.9
33	1.0	3.6	5.2	6.5	5.1	5.4	5.6
34	1.5	1.4	1.5	1.0	1.0	1.0	1.1
35	3.2	1.0	2.5	9.3	11.0	11.5	12.0
36	3.0	3.2	1.8	3.9	4.0	4.0	4.1
37	37.0	38.9	40.8	63.1	65.7	67.3	70.7
Total	1 223.1	1 424.2	1 604.9	1 616.8	2 016.3	2 133.7	2 237.8

Table 8. Infrastructure expenditure per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Central Government Administration							
2 Parliament	–	5.1	40.5	–	–	–	–
3 Cooperative Governance and Traditional Affairs	6 138.4	8 754.1	9 138.1	11 433.5	12 528.9	15 068.6	18 322.0
4 Home Affairs	45.1	61.4	68.0	56.1	67.2	132.5	129.8
5 International Relations and Cooperation	119.4	649.9	926.7	423.2	231.5	249.8	317.0
6 Public Works	414.1	488.0	988.4	1 220.6	1 303.9	1 603.9	1 634.7
Financial and Administrative Services							
9 National Treasury	5 035.7	6 327.3	7 768.0	9 910.6	12 569.9	14 486.6	15 405.0
Social Services							
13 Arts and Culture	312.1	281.2	448.6	801.4	557.8	455.6	483.0
14 Basic Education	–	–	–	–	80.0	200.0	210.0
15 Health	1 498.7	2 118.5	1 884.8	3 495.2	3 939.6	3 789.7	3 805.0
16 Higher Education and Training	90.5	77.5	54.8	37.0	32.0	26.0	22.0
17 Labour	78.5	64.4	37.6	56.8	25.9	34.6	0.0
19 Sport and Recreation South Africa	600.0	4 605.0	4 295.0	1 661.1	302.3	–	–
Justice, Crime Prevention and Security							
20 Correctional Services	794.8	1 087.0	1 035.5	1 012.5	1 108.3	1 163.1	2 675.6
21 Defence and Military Veterans	49.2	93.4	476.5	452.0	1 120.7	841.1	1 218.3
23 Justice and Constitutional Development	323.7	361.1	479.5	515.5	631.5	759.4	865.0
24 Police	510.5	727.0	843.3	1 049.7	1 118.2	1 235.3	1 544.6
Economic Services and Infrastructure							
25 Agriculture, Forestry and Fisheries	120.0	112.0	108.6	115.0	172.9	270.8	253.5
26 Communications	100.0	646.0	950.0	810.0	420.9	279.0	167.0
28 Energy	1 328.9	1 525.6	1 888.8	2 400.3	4 271.9	4 366.4	4 565.5
29 Environmental Affairs	199.8	405.7	437.4	512.3	656.7	664.8	693.0
30 Human Settlements	–	3 829.9	1 885.1	1 674.3	2 014.8	2 248.4	2 341.9
32 Rural Development and Land Reform	14.4	5.6	6.3	11.8	17.4	18.3	44.7
33 Science and Technology	175.0	272.0	408.0	699.3	745.7	801.0	254.4
35 Trade and Industry	468.0	911.0	967.5	1 283.3	769.9	721.4	758.6
36 Transport	5 801.6	7 934.8	10 601.2	12 799.8	14 131.7	16 038.7	16 542.4
37 Water Affairs	85.9	644.4	1 467.1	1 976.8	2 279.9	3 358.1	3 805.1
Total	24 304.4	41 988.0	47 205.2	54 408.3	61 099.7	68 813.1	76 057.9

1. Amounts include mega infrastructure projects and programmes (over R300 million per year for a minimum of three years, or R900 million total project cost), large projects and programmes (between R300 million and R50 million per year within a given MTEF period), small projects and programmes (less than R50 million per year). Infrastructure transfers to other spheres, agencies and entities, fixed installations transferred to households and maintenance and repair projects are also included. Details are provided in the additional tables in each vote.

Table 9. Personnel expenditure per vote 2006/07 to 2012/13

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	100.5	118.7	144.3	187.4	184.4	218.1	242.4	258.2
2	Parliament	446.6	521.0	708.6	780.1	780.1	856.1	905.7	951.2
3	Cooperative Governance and Traditional Affairs	116.2	128.1	153.8	172.3	164.8	241.9	255.3	268.1
4	Home Affairs	844.7	1 087.0	1 296.0	1 659.1	1 659.1	1 896.2	2 134.8	2 243.7
5	International Relations and Cooperation	1 136.5	1 293.2	1 683.4	2 062.6	2 062.6	2 017.1	2 101.4	2 203.1
6	Public Works	613.6	746.4	916.6	1 012.2	1 012.2	1 121.4	1 201.7	1 249.6
7	Women, Children and People with Disabilities	3.8	4.8	5.9	10.0	10.0	15.7	27.5	29.9
Financial and Administrative Services									
8	Government Communication and Information System	84.1	116.2	114.0	137.1	136.9	147.0	157.5	166.3
9	National Treasury	230.9	272.7	321.0	438.5	408.5	538.5	573.0	598.6
10	Public Enterprises	47.2	56.0	70.4	81.4	81.4	88.0	93.5	98.3
11	Public Service and Administration	92.5	115.8	129.1	153.4	153.4	174.4	183.4	193.4
12	Statistics South Africa	414.9	472.0	700.7	1 015.8	1 015.8	891.0	1 065.1	992.5
Social Services									
13	Arts and Culture	95.1	107.2	126.8	146.3	141.3	149.0	159.4	168.7
14	Basic Education	117.0	150.4	186.3	229.9	251.4	255.4	273.8	288.1
15	Health	231.7	258.6	292.5	329.1	329.1	369.7	403.4	442.4
16	Higher Education and Training	131.7	146.2	174.8	203.3	203.6	228.9	245.8	261.1
17	Labour	435.4	497.9	491.3	632.6	611.2	738.4	760.6	811.4
18	Social Development	111.1	133.6	184.1	225.4	225.4	245.1	260.6	277.7
19	Sport and Recreation South Africa	30.1	43.4	54.5	67.6	59.6	75.3	73.7	77.4
Justice, Crime Prevention and Security									
20	Correctional Services	5 606.6	6 799.2	8 077.8	9 313.0	9 313.0	10 483.8	11 058.5	11 611.2
21	Defence and Military Veterans	9 037.6	9 735.9	10 620.0	12 223.2	12 223.2	13 450.4	14 630.1	15 686.9
22	Independent Complaints Directorate	36.8	45.7	58.0	66.5	66.5	74.1	85.5	90.4
23	Justice and Constitutional Development	3 619.7	4 250.9	5 326.2	6 277.1	6 233.7	6 834.7	7 375.3	7 846.8
24	Police	22 730.2	25 610.6	29 147.4	33 770.2	33 770.2	37 148.8	39 660.3	41 777.4
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	717.4	778.8	908.8	1 138.5	938.5	1 144.2	1 244.2	1 380.2
26	Communications	99.0	97.7	108.0	147.4	147.4	160.4	169.2	177.9
27	Economic Development	-	-	-	12.6	12.6	59.5	78.0	89.8
28	Energy	49.7	68.2	84.6	113.1	112.1	133.0	140.4	142.8
29	Environmental Affairs	156.7	196.3	212.3	260.3	260.3	324.9	351.5	368.9
30	Human Settlements	81.4	107.3	136.9	217.4	217.4	290.2	313.4	328.9
31	Mineral Resources	196.4	222.3	245.5	287.6	287.0	352.3	392.1	414.7
32	Rural Development and Land Reform	406.0	476.4	614.2	954.8	954.8	1 072.2	1 141.5	1 199.8
33	Science and Technology	83.7	104.1	144.9	200.2	200.2	215.0	227.3	239.1
34	Tourism	102.8	130.8	106.4	89.6	89.6	98.5	112.1	160.6
35	Trade and Industry	283.6	327.5	383.1	513.0	469.0	557.8	590.4	628.5
36	Transport	111.2	131.3	182.6	221.0	221.0	259.4	282.2	296.6
37	Water Affairs	972.0	890.7	862.5	1 043.1	1 001.4	1 166.5	1 196.7	1 212.4
Total		49 574.2	56 243.2	64 973.4	76 392.8	76 008.7	84 093.2	90 167.3	95 232.5

Table 10. Departmental receipts per vote 2006/07 to 2012/13 ¹

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates			
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13	
Central Government Administration									
1	The Presidency	1.7	0.3	0.2	0.5	0.5	0.3	0.3	0.3
2	Parliament	41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
3	Cooperative Governance and Traditional Affairs	6.8	0.7	0.8	0.6	0.6	0.6	0.6	0.6
4	Home Affairs	468.2	421.1	355.7	429.5	429.5	455.3	482.6	506.7
5	International Relations and Cooperation	46.3	65.1	43.6	39.2	18.4	31.2	33.3	33.2
6	Public Works	79.9	95.8	28.5	25.6	31.5	26.6	27.7	29.4
Financial and Administrative Services									
8	Government Communication and Information System	3.1	3.1	3.3	2.9	2.9	3.0	3.0	3.0
9	National Treasury	4 355.1	6 116.7	5 270.4	4 148.5	3 839.0	2 354.2	2 544.8	2 602.9
10	Public Enterprises	0.1	0.1	0.8	0.1	0.1	0.1	0.1	0.1
11	Public Service and Administration	1.8	2.7	1.0	0.9	0.9	0.7	0.7	0.7
12	Statistics South Africa	1.5	17.7	2.8	6.9	6.9	2.2	2.5	2.6
Social Services									
13	Arts and Culture	3.2	0.4	3.6	1.0	1.0	0.6	0.6	0.7
14	Basic Education	0.6	1.9	1.5	0.9	0.9	1.1	1.2	1.2
15	Health	33.3	41.2	31.2	33.7	33.7	31.5	32.8	32.9
16	Higher Education and Training	6.2	6.9	6.7	6.5	6.6	6.9	7.0	7.0
17	Labour	6.1	8.4	28.9	12.9	12.9	16.1	22.4	24.3
18	Social Development	865.3	237.0	16.5	0.2	20.2	510.2	10.2	10.2
19	Sport and Recreation South Africa	5.6	0.0	0.3	0.6	5.7	0.3	0.4	0.4
Justice, Crime Prevention and Security									
20	Correctional Services	100.0	136.3	80.5	131.2	136.7	143.4	152.0	161.0
21	Defence and Military Veterans	492.8	551.9	629.4	676.7	676.7	702.5	729.2	756.9
22	Independent Complaints Directorate	0.0	0.4	0.1	0.1	0.1	0.1	0.1	0.1
23	Justice and Constitutional Development	319.5	317.0	356.8	358.9	358.9	377.6	399.8	422.5
24	Police	251.9	345.1	376.5	332.6	332.6	341.7	321.3	324.5
Economic Services and Infrastructure									
25	Agriculture, Forestry and Fisheries	141.1	121.1	254.0	219.7	216.7	119.3	121.5	118.2
26	Communications	2 613.8	3 007.4	3 520.1	933.0	1 160.8	925.0	959.4	993.4
27	Economic Development	177.5	229.3	244.4	484.8	420.0	230.0	243.8	250.0
28	Energy	0.1	1.2	3.3	3.5	3.5	3.7	3.9	4.1
29	Environmental Affairs	4.9	4.7	8.5	2.7	2.7	0.8	0.8	0.8
30	Human Settlements	1.9	0.7	2.4	0.5	2.8	0.5	0.5	0.6
31	Mineral Resources	191.0	267.1	261.3	161.8	161.8	205.6	211.8	213.9
32	Rural Development and Land Reform	158.8	176.4	64.2	231.2	61.1	68.4	69.0	64.5
33	Science and Technology	1.0	0.2	0.3	1.0	1.0	0.1	0.1	0.1
35	Trade and Industry	66.6	94.2	64.9	66.7	67.0	108.3	114.9	120.2
36	Transport	330.4	362.5	215.8	231.7	116.6	127.8	137.4	144.3
37	Water Affairs	137.2	0.1	26.6	72.6	39.8	41.2	44.0	44.0
Total departmental receipts as per Estimates of National Expenditure		10 915.2	12 686.3	11 960.0	8 635.5	8 188.0	6 852.2	6 691.4	6 887.0
Less: Parliament (retained departmental receipts)		41.9	51.7	55.2	16.3	17.8	15.5	11.9	11.5
Plus: South African Revenue Service departmental receipts collection		-30.0	58.0	711.4	1 205.8	812.4	3 543.6	4 803.7	5 503.9
Total departmental receipts as per Budget Review		10 843.3	12 692.6	12 616.2	9 825.0	8 982.6	10 380.3	11 483.2	12 379.4

1. Departmental receipts exclude extraordinary receipts which are deposited into the National Revenue Fund. Extraordinary receipts are included in the Budget Review.

Information contained in each chapter

The Estimates of National Expenditure publication describes in detail the planned spending of all national government departments for three years going forward: that is, the years of the medium term expenditure framework (MTEF). The Estimates of National Expenditure is tabled in Parliament by the Minister of Finance on the day the main Budget is tabled. It provides details about the allocation of expenditure to all national departments set out in the appropriation bill, which is tabled on the same day.

The appropriation bill is divided into votes. A vote generally specifies the total amount appropriated per department. Each chapter in the Estimates of National Expenditure relates to a vote. By appropriating funds from the National Revenue Fund through the approval of the appropriation bill, Parliament authorises expenditure.

Votes are arranged into the following functional groupings to facilitate analysis of interdepartmental initiatives and service delivery.

- central government administration
- financial and administrative services
- social services
- justice, crime prevention and security
- economic services and infrastructure.

These functional groupings are informal and are not the same as either the government's cluster system groupings or the standard chart of accounts' more rigorous classification of government functions.

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

The chapter for each vote contains the following information:

Budget summary

This table shows the budgeted expenditure for the vote for the MTEF period.

R million	2010/11					2011/12	2012/13
	Total to be Appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
MTEF allocation							
Programme name							
Programme name							
Programme name							
Subtotal							
Direct charge against the National Revenue Fund							
Item							
Item							
Total expenditure estimates							
Executive authority	Minister						
Accounting officer	Director-General / Chief Operating Officer						
Website address							

Due to rounding off, the figures do not necessarily add up to the total. Figures are mostly denoted in rand million unless otherwise indicated.

The **2010/11 total to be appropriated** shows the expenditure allocation for 2010/11 and corresponds with the information in the 2010 Appropriation Bill.

The totals to be appropriated by Parliament are categorised by economic classification into **current payments, transfers and subsidies, payments for capital assets** and **payments for financial assets**.

Current payments are payments made by the department for its operational requirements.

Transfers and subsidies are payments made by the department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for an asset that can be used for more than one year and from which future economic benefits or service potential are expected to flow.

Payments for financial assets mainly consist of payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for expensing the payments rather than treating them as financing is that, unlike other financial transactions, the purpose of the transaction is not profit oriented. This column is only shown in departments where such payments have been budgeted for. Payments for theft and losses are included in this category; however, these payments are not budgeted for and will thus only appear in the historical information, which can be seen in the expenditure estimates table.

Estimates for the two outer years of the expenditure framework, **2011/12** and **2012/13**, are also shown. These estimates are not included in the 2010 Appropriation Bill as they are still only indicative of actual expenditure levels in the outer years of the MTEF period. Parliament typically only appropriates or authorises expenditure for one financial year at a time. These forward estimates or indicative allocations do, however, form the basis for the planning of the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The last lines of the table provide accountability information: the department's executive authority, accounting officer and website address.

Aim

The aim of the vote captures the department's mandate, strategic objectives or its administrative functions, and corresponds with the aim stated in the appropriation bill.

Programme purposes

Each vote is comprised of several programmes. The activities and functions performed by a department are typically divided into these programmes. Programme 1 is the *Administration* programme, which houses the administrative activities and functions required to keep the department operating. Each vote programme is listed individually with its purpose, as stated in the appropriation bill. The programme purpose outlines the activities and functions of the particular programme as per the approved budget programme structure, in terms of the Public Finance Management Act (1999).

Strategic overview: 2006/07 – 2012/13

This section describes the department's strategic direction over the period under review. It includes policy and mandate developments and legislative changes as well as a table of selected quantitative and trendable performance indicators.

Savings and cost effective service delivery

In this section, departments discuss details of the cost savings measures and reprioritisation of budgets effected in the 2009/10 financial year and to be effected over the MTEF period ahead.

Savings typically emanate from reduced expenditure on non-core goods and services, the rescheduling of expenditure over time in the case of delays, reduced transfers to certain public entities, improved financial management, reduced expenditure on administration in favour of frontline services and through seeking alternative sources of financing.

Selected performance indicators

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13

The table presents only a selected set of a department or entity's performance information and is not intended to provide a comprehensive view of performance.

An **indicator** is a numerical measure that tracks a department's or entity's progress towards its goal. An indicator may measure inputs, activities, outputs, outcomes or in certain instances explanatory information relating to the internal or external environment.

The **programme** column links the indicator to the programme associated with it.

Expenditure estimates

This table shows expenditure outcomes and estimates over a seven-year period, by vote programme and by economic classification item.

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
R million								
1. Programme name								
2. Programme name								
3. Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Item								
Total								
Change to 2009 Budget estimate								

Economic classification

Current payments			
Economic classification item			
Economic classification item			
Transfers and subsidies			
Economic classification item			
Economic classification item			
Payments for capital assets			
Economic classification item			
Economic classification item			
Payments for financial assets			
Total			

Expenditure is set out first by **programme** and then by **economic classification** over a seven-year period.

For comparability, where programme structures have been changed in recent years, expenditure has, where possible, been reallocated to the new approved programme structure for all seven years. The president's appointment of ministers and deputy ministers after the 2009 general elections has necessitated a reorganisation of national departments, including renaming departments and establishing new departments. As a result, functions may have shifted between departments as a whole or in part, and new functions may have been defined.

Audited outcomes are presented as they appear in the department or entity's annual financial statements, with amounts reallocated for any subsequent approved budget programme structure changes.

Adjusted appropriation includes the changes made to the appropriation voted in the 2009 main Budget for the financial year, with amounts reallocated for any subsequent approved programme structure changes. Changes are generally made mid-year at the time of the adjustments budget. These adjustments can only be made in terms of the circumstances listed in section 30 of the Public Finance Management Act (1999). Adjustments are included in the adjustments appropriation bill, which Parliament approves before expenditure can take place, and the details are published in the Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2009/10 represents National Treasury's current estimate, in consultation with the department, of expenditure outcomes. This does not imply a change in the amounts voted to departments in the 2009/10 adjusted appropriation; it is merely a more recent estimate of what the department will indeed spend.

The **medium-term expenditure estimates** are shown for 2010/11, 2011/12 and 2012/13. The spending figures for 2010/11 constitute the proposed appropriation to be funded from the National Revenue Fund that is contained in the main appropriation bill, which has to be considered by Parliament after it has been tabled. The medium-term expenditure estimates for 2011/12 and 2012/13 are indicative allocations, and will form the basis for planning the 2011 Budget.

Direct charges against the National Revenue Fund are amounts appropriated in terms of statutes and do not require parliamentary approval. They are not budgeted for in terms of a programme on a particular vote and include, for example, state debt costs.

The **totals**, which are the sum of the expenditure on programmes and direct charges, are also classified into current payments, transfers and subsidies, payments for capital assets and payments for financial assets.

Expenditure trends

The main expenditure trends and vote programme structure changes from 2006/07 to 2012/13 are described. Trends are generally represented over the MTEF period between 2009/10 and 2012/13, or over the entire period between 2006/07 and 2012/13.

An explanation of the spending focus over the MTEF period in relation to the strategic objectives and the performance targets that will be achieved over the period is given. Expenditure growth in the historical period is also typically compared to expenditure anticipated over the MTEF period. Reasons are given for trends that are identified, and the significant increases or decreases in expenditure are explained in terms of the underlying policies and service delivery objectives that inform the trends. A summary of the new (additional) allocations to the vote programme's baseline budget is given. The baseline is derived from the previous year's forward estimates. Expenditure on existing and new infrastructure is discussed.

Generally, unless otherwise indicated, average annual growth rates are reflected in nominal, not real, terms. Where inflationary growth has been excluded from the calculation and real growth estimates are provided, the consumer price index has been used to deflate the growth rate.

Departmental receipts

Departmental (non-tax) receipts for 2009/10 are described, as well as the anticipated receipts for the MTEF period.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts								
Economic classification item								
Economic classification item								
Total								

Information on each programme

Each programme section (with the exception of the *Administration* programme) opens with the purposes of the subprogrammes that form that programme. The details of functions performed within subprogrammes and the principle for distributing funds across spending areas within subprogrammes are also described.

Programme 1 is always *Administration*, which includes spending on the ministry, the director-general's office and central corporate services.

Objectives and measures

Objectives and measures are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. (Programme 1 (*Administration*) is generally exempt from providing objectives and measures.)

For example: Improve service to eligible citizens and residents (objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 10 days in 2008/09 to 5 days in 2011/12 (progress measure).

Service delivery focus

Information is provided on recent achievements for each programme, including service delivery and operational achievements for the previous year and for the current financial year to date. Reports are given relative to the targets that were presented in previous Estimates of National Expenditure and Adjusted Estimates of National Expenditure publications.

Expenditure estimates (per programme)

Tables for each programme set out expenditure by subprogramme and economic classification over a seven-year period.

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R million							
Subprogramme name							
Subprogramme name							
Subprogramme name							
Total							
Change to 2009 Budget estimate							

Subprogramme	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	appropriation	2010/11	2011/12	2012/13
R million				2009/10			
Economic classification							
Current payments							
Economic classification item							
Economic classification item							
Transfers and subsidies							
Economic classification item							
Economic classification item							
Payments for capital assets							
Economic classification item							
Economic classification item							
Payments for financial assets							
Total							

Expenditure trends (per programme)

Important expenditure trends for each programme are explained. The scope of the information provided in this section is similar to what is provided for the entire vote.

Public entities and other agencies

Where appropriate, the discussion of an entity is linked to a specific vote programme and is shown directly after the discussion of that programme.

The scope of information contained in the write-up on public entities is similar to what is reported for the department.

Information on each of the public entities generally consists of the following:

- key legislative mandates in terms of which the entity was established and within which it operates
- selected performance indicators relating to the entity's mandate
- planned deliverables for the next MTEF period
- key objectives achieved during the previous reporting periods
- financial data tables for the entity, focusing on the sources of funding for the entity, key spending areas and expenditure trends, and if applicable an analysis of some of the more important items on the entity's balance sheet
- reprioritisation and savings measures implemented.

Additional tables

Additional tables appear at the end of the vote. These include:

Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure as well as the audited outcome and revised estimate for 2008/09 and 2009/10 respectively.

Summary of personnel numbers and compensation of employees

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on different categories of employees.

The **unit cost** refers to the average cost per person employed by the department. It is calculated by dividing the compensation figure by the personnel numbers.

Personnel numbers refers to the physical number (head count) of people employed by the department.

Details of establishment and personnel numbers per salary level

Employment information is provided in respect of the department. The amount spent by a department on compensation of employees is shown.

Information is provided on the number of posts in the department at different salary levels **per programme** as at 30 September 2009.

Number of posts on approved establishment refers to the number of departmental employment positions approved by the Department of Public Service and Administration.

Number of funded posts refers to the number of departmental employment positions which are provided within the budget.

Number of posts additional to the establishment typically refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the approved departmental establishment.

Summary of expenditure on training

Information is provided on the funds spent on training, and the number of people trained by the department.

Summary of conditional grants to provinces and municipalities

A conditional grant refers to an allocation made by the national government, from its nationally raised revenue, to a province, local government or municipality, on condition that certain requirements or services are met.

Summary of departmental public private partnerships projects

Disclosure notes with additional details are provided for the projects signed in terms of Treasury Regulation 16.

Public private partnerships refer to contractual arrangements in which a private party performs part of a government function and assumes the associated risks. In return, the private party receives a fee according to predefined performance criteria. A public private partnership may also be a project in which a private party uses state assets for its own commercial purposes, and government benefits from the profits generated by the enterprise.

Unitary fee refers to the total payment made to the private party for the provision of all types of services.

A **signed** project is a public private partnership project which has reached financial close and is being implemented.

Projects in preparation are in some stage of inception, feasibility or procurement, but have not yet reached financial close.

Project monitoring costs are associated with the ongoing evaluation and monitoring of public private partnerships in operation.

Advisory fees are costs related to the hiring of transaction advisors who assist government with feasibility studies and procurement in the public private partnership project process.

Revenue generated is shown in cases where public private partnership projects have revenue generating potential such as tourism projects or toll roads.

Summary of donor funding

Donor funding is funding received by departments over and above the allocations provided in the South African government's appropriation legislation.

Donor funding comprises official development assistance and other local and international donations.

Official development assistance is an official resource flow from the international donor community to the South African government in the form of grants, technical cooperation and financial cooperation.

The **programme** column links the donor funding to the vote programme that is associated with it.

The **spending focus** shows what the department aims to achieve by using the funding.

Summary of expenditure on infrastructure

The infrastructure table includes new and replacement assets, maintenance and repairs, upgrades and additions, and rehabilitation, renovation and refurbishment of assets.

Infrastructure transfers to other spheres, agencies and departments refers to transfers and grants to other government components for expenditure on infrastructure.

Fixed installations transferred to households shows the transfer of funds to individual South Africans to be used for the construction of fixed 'on-site' structures that enhance the welfare of households.

Maintenance on infrastructure refers to all maintenance, repairs and refurbishment expenditure on infrastructure that prolongs the life and retains the value of the infrastructure asset. This item does not include day-to-day maintenance.

In all tables a dash (-) indicates that information is unavailable or zero.

Labour

**National Treasury
Republic of South Africa**



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Vote 17

Labour

Budget summary

R thousand	2010/11				2011/12	2012/13
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
MTEF allocation						
Administration	649 997	641 114	159	8 724	690 635	716 009
Inspection and Enforcement Services	356 603	356 553	50	–	380 306	391 936
Public Employment Services	280 420	179 161	101 259	–	292 407	308 802
Labour Policy and Labour Market Programmes	496 869	83 119	413 697	53	503 202	525 746
Total expenditure estimates	1 783 889	1 259 947	515 165	8 777	1 866 550	1 942 493
Executive authority	Minister of Labour					
Accounting officer	Director-General of Labour					
Website address	www.labour.gov.za					

The Estimates of National Expenditure booklets for individual votes are available on www.treasury.gov.za. They provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers, public entities and lower level institutional information.

Aim

Reduce unemployment, poverty and inequality, through policies and programmes developed in consultation with social partners, which are aimed at: improved economic efficiency and productivity; skills development and employment creation; sound labour relations; eliminating inequality and discrimination in the workplace; alleviating poverty in employment; enhancing occupational health and safety awareness and compliance in the workplace; as well as nurturing the culture of acceptance that worker rights are human rights.

Programme purposes

Programme 1: Administration

Purpose: Management, strategic and administrative support services to the ministry and the department.

Programme 2: Inspection and Enforcement Services

Purpose: Ensure the implementation of and compliance with Department of Labour policies and programmes through monitoring, evaluation and inspections.

Programme 3: Public Employment Services

Purpose: Public employment services to assist companies and workers to adjust to changing labour market conditions and regulate private employment agencies

Programme 4: Labour Policy and Labour Market Programmes

Purpose: The establishment of an equitable and sound labour relations environment and the promotion of South Africa's interests in international labour matters through research, analysing and evaluating labour policy, and

providing statistical data on the labour market, including providing support to institutions that promote social dialogue.

Strategic overview: 2006/07 – 2012/13

Since 2008, the Department of Labour has been adjusting its outlook to focus on employment services and inspection and enforcement services. With the assistance of the International Labour Organisation, the department has begun with a restructuring project to realign the department's structure with this vision. This process was also informed by the national macro reorganisation of the state announced by the president following the April 2009 elections. The president signed a proclamation transferring the *Skills Development* programme from the Department of Labour to the Department of Higher Education and Training with effect from 1 November 2009, which led to the reorganisation of the Department of Labour. In particular: programme 2, *Service Delivery*, which comprised the *Inspection and Enforcement Services*, *Employment Services* and *Management Support Services* subprogrammes, has been reorganised; the *Employment Services* subprogramme has moved to form programme 3, which has been renamed *Public Employment Services*; and the *Management Support Services* subprogramme (the administration unit in provincial offices and labour centres) has moved to programme 1, *Administration*, with only the inspection and enforcement services subprogramme remaining in programme 2, which has been renamed *Inspection and Enforcement Services*.

As the department operates actively at both the micro and macro levels of the labour market, its contribution to developing a sustainable economy will be through the regulation of the South African labour market by: developing appropriate legislation and regulations; protecting human rights in the labour sphere; providing employment services; ensuring the compliance, monitoring and enforcement of labour legislation; and promoting equity, social dialogue, and social and income protection.

Strategic priorities

Public employment services

The reorganisation of the department, which was completed in November 2009, has resulted in the creation of a new programme, *Public Employment Services*. This programme's main objective is to facilitate the entry and re-entry of jobseekers into the labour market by finding the most suitable employees to meet employer needs.

The programme is also responsible for overseeing the development of a public employment service policy and the relevant legislation that will make provision for the establishment of public employment services and the Employment Services Board. The policy will also provide for the integrated employment information system, with its database, to regulate private employment agencies, to advise on available skills in the labour market and on the employment of non-citizens and related matters. The Public Employment Service Bill will provide for amendments to the current Skills Development Act (1998) and the Unemployment Insurance Act (2001). The policy and bill will be fully developed and finalised by September 2010.

Decent Work country programme

The Decent Work country programme, in collaboration with the International Labour Organisation and in consultation with social partners, will only be finalised by April 2010 as the tripartite consultations between government, trade unions and employers at the National Economic Development and Labour Council are taking longer than anticipated. The main goal of the programme is to promote opportunities for people to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The four pillars of the Decent Work agenda are: fundamental principles and rights at work and international labour standards; employment and income opportunities; social dialogue and tripartism (collaboration between government, trade unions and employers); and social protection and social security.

Inspection and enforcement services

The purpose of the inspection and enforcement services is to promote good labour practices. The restructuring of the Department of Labour's inspection and enforcement services is aimed at addressing existing shortcomings in the structure both at the national and provincial level, to effectively meet the labour practice challenges facing the country. Professionalising the inspectorate, providing a customer centric service and

improved compliance are the three critical pillars of the department's strategic approach, and will be achieved by implementing the proposed service delivery model and structural changes. The core principle of each pillar is: professionalising the inspectorate in the context of the inspection and enforcement services means inspectors who are educated and well trained, engaged in continuous inquiry to understand the profession better, committed to lifelong learning and development, and linked to a career path; customer centric service means integrated service delivery with service package developments dictated by customer needs; and improved compliance means focusing on the strategic weak links of the enforcement mechanisms and identifying the appropriate intervention plan and rationalising the enforcement policies to promote consistency, thus creating a conducive environment for improved compliance at the enterprise level.

Over the medium term, the department will also continue to strengthen its inspection and enforcement services to improve employers' and employees' compliance with all labour legislation by reviewing related labour policy and legislation, including the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997) and the Employment Equity Act (1998), and Occupational Health and Safety Act (1993).

Savings and cost effective service delivery

The department has identified efficiency savings and cost containment initiatives across all programmes totalling R133.9 million over the MTEF period in the following items:

- R12.2 million in compensation of employees due to savings on funded vacancies
- R107.4 million in goods and services, including travel and subsistence, contractors, inventory, food and food supplies, computer services and consultants
- R14.2 million in machinery and equipment due to the suspension of projects.

Selected performance indicators

Table 17.1 Labour

Indicator	Programme	Past			Current	Projections		
		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of new jobs registered on employment services database	Public Employment Services	–	15 364	7 553	6 500	7 000	*	*
Percentage of registered work seekers placed in permanent employment	Public Employment Services	–	36% (5 578)	65% (14 898)	65% (4 225)	70% (7 490)	*	*
Number of JSE Securities Exchange listed companies assessed for employment equity per year	Labour Policy and Labour Market Programmes	6	7	11	60	60	30	40
Number of reported occupational health and safety incidents investigated per year	Inspection and Enforcement Services	2 756	4 106	2 956	2 000	2 000	2 000	2 000

* Subject to revised national skills development strategy

Expenditure estimates

Table 17.2 Labour

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	
R thousand								
1. Administration	534 755	572 489	567 927	670 093	659 371	649 997	690 635	716 009
2. Inspection and Enforcement Services	237 161	259 591	259 168	319 474	309 417	356 603	380 306	391 936
3. Public Employment Services	219 255	210 013	297 579	258 856	252 241	280 420	292 407	308 802
4. Labour Policy and Labour Market Programmes	352 115	389 424	382 542	460 787	453 386	496 869	503 202	525 746
Total	1 343 286	1 431 517	1 507 216	1 709 210	1 674 415	1 783 889	1 866 550	1 942 493
Change to 2009 Budget estimate				38 189	3 394	22 437	(1 370)	787

Table 17.2 Labour (continued)

R thousand	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Economic classification								
Current payments	955 910	1 037 177	1 036 680	1 208 194	1 177 707	1 259 947	1 332 252	1 385 388
Compensation of employees	435 362	497 893	491 335	632 627	611 219	738 405	760 567	811 417
Goods and services	520 548	539 284	545 345	575 567	566 488	521 542	571 685	573 971
<i>of which:</i>								
Administrative fees	722	766	997	12 043	11 351	381	409	228
Advertising	14 919	25 683	35 468	17 174	19 666	13 117	15 496	16 096
Assets less than the capitalisation threshold	11 346	5 684	4 922	8 121	7 667	6 821	6 826	6 228
Audit cost: External	16 767	18 245	29 918	22 920	23 110	22 730	25 100	25 192
Bursaries: Employees	1 545	2 372	2 438	3 276	3 165	3 249	3 693	3 791
Catering: Departmental activities	3 218	4 560	3 829	4 794	4 560	4 428	5 552	4 526
Communication	45 847	48 555	44 193	42 951	41 991	37 656	42 100	40 262
Computer services	120 590	88 122	112 048	33 599	32 555	29 133	30 914	28 808
Consultants and professional services:	5 153	2 336	1 765	11 744	9 016	4 880	5 229	4 894
Business and advisory services								
Consultants and professional services: Infrastructure and planning	–	2 434	1 330	1 584	1 575	–	–	–
Consultants and professional services: Legal costs	2 149	1 243	2 308	2 731	2 830	1 353	1 483	1 323
Contractors	43 052	40 374	15 123	19 653	19 089	7 247	7 979	7 256
Agency and support / outsourced services	16 038	24 993	19 297	18 217	17 876	18 507	26 647	25 856
Entertainment	366	340	271	468	388	862	926	951
Inventory: Food and food supplies	–	2	–	34	31	–	–	–
Inventory: Fuel, oil and gas	69	68	995	495	458	507	537	606
Inventory: Learner and teacher support material	–	–	61	233	219	185	248	251
Inventory: Materials and supplies	3	24	257	603	732	95	95	96
Inventory: Medical supplies	20	2	13	57	49	5	4	4
Inventory: Other consumables	282	149	2 062	4 752	4 606	2 634	2 874	2 710
Inventory: Stationery and printing	21 742	24 990	25 447	38 619	38 077	28 771	30 080	28 669
Lease payments	72 151	77 764	87 419	163 935	164 338	189 897	206 840	222 047
Property payments	29 902	33 854	20 776	40 620	41 393	36 711	38 097	38 804
Transport provided: Departmental activity	436	424	40	58	48	180	190	166
Travel and subsistence	83 982	105 364	107 181	80 329	79 120	76 737	82 937	80 573
Training and development	9 011	10 530	8 852	12 733	12 319	10 426	10 846	10 987
Operating expenditure	3 695	5 015	2 469	10 916	9 346	8 033	8 865	8 395
Venues and facilities	17 543	15 391	15 866	22 908	20 913	16 997	17 718	15 252
Transfers and subsidies	367 378	382 210	457 248	463 130	462 259	515 165	502 623	527 095
Provinces and municipalities	252	–	–	–	–	–	–	–
Departmental agencies and accounts	296 482	316 529	323 173	377 449	377 449	429 790	413 874	433 920
Foreign governments and international organisations	6 882	7 416	10 377	9 295	8 617	9 633	10 211	10 722
Non-profit institutions	62 105	56 280	119 179	74 317	74 117	75 502	78 289	82 189
Households	1 657	1 985	4 519	2 069	2 076	240	249	264
Payments for capital assets	19 124	9 816	9 036	37 886	34 449	8 777	31 675	30 010
Buildings and other fixed structures	12 164	6 260	2 724	29 363	26 007	3 771	3 996	15
Machinery and equipment	6 960	3 556	6 312	8 523	8 442	5 006	27 679	29 995
Payments for financial assets	874	2 314	4 252	–	–	–	–	–
Total	1 343 286	1 431 517	1 507 216	1 709 210	1 674 415	1 783 889	1 866 550	1 942 493

Expenditure trends

Expenditure grew from R1.3 billion in 2006/07 to R1.7 billion in 2009/10, at an average annual rate of 8.4 per cent. This was mainly due to spending on compensation of employees, which grew at an average annual rate of 13.3 per cent, from R435.4 million to R632.6 million, as a result of increased salary adjustments in 2007/08 and 2009/10. From 2007/08 to 2010/11, additional funds were allocated for the decentralisation of functions to provincial offices for appointing career counsellors and for upgrading labour inspectors' salaries.

Expenditure is expected to grow to R1.9 billion over the MTEF period, at a much slower average annual rate of 4.4 per cent, due to the transfer of the skills function to the Department of Higher Education and Training. Spending on payments for capital assets is expected to grow from R8.8 million in 2010/11 to R31.7 million in 2011/12, due to the planned purchase of 20 new mobile labour centres to replace the old fleet.

The 2010 Budget provides additional allocations over the MTEF period of R57 million, R46.6 million and R49.2 million, mainly for:

- the Commission for Conciliation, Mediation and Arbitration (R34 million, R19.7 million and R20 million) for increased caseload and personnel inflation adjustments
- personnel inflation adjustments in the department (R23 million, R26.8 million and R29.1 million).

Infrastructure spending

Spending on infrastructure decreased at an average annual rate of 52.7 per cent, from R12.2 million in 2006/07 to R2.7 million in 2008/09, as construction projects were in the site identification process and funds were only spent on consultants. Expenditure increased in 2009/10 as the construction of labour centres in the following locations were registered with the Department of Public Works: Bochum, Jane Furse, Lebowakgomo, Taung, Temba, Bronkhorstspuit, Garankuwa, Rustenburg, Mount Ayliff, Mamelodi, Khayelitsha, Worcester, Somerset West, Beaufort West, Vredenburg and Lusikisiki. These sites are at various stages of development, with the Rustenburg and Mount Ayliff projects in the tender phase and the Taung project expected to be ready for tender in 2010/11.

Several renovation and maintenance projects for sheltered employment factories were registered by the Department of Public Works, with funding for these amounting to R17.3 million in 2010/11 and R27.3 million in 2011/12. The tender process has begun for two of these projects (Kimberley and Silverton factories) and bids will be awarded in early 2010.

Departmental receipts

Revenue collected by the department is generated mainly from administrative fees and commission from insurance companies for deducting premiums from staff salaries and parking fees. Revenue is also received from financial transactions in assets and liabilities, comprising of fees from stale cheques, recoveries from the previous financial year, and breach of contract fees. Transactions in financial assets and liabilities grew significantly in 2008/09, due to the recovery of R15.3 million for compensation of employees from the Compensation Fund. Receipts from fines and forfeitures resulting from prosecutions in terms of labour legislation are channelled through the Department of Justice and Constitutional Development. Departmental receipts totalling R12.9 million are expected for 2009/10 and are projected to increase to R24.3 million in 2012/13.

Table 17.3 Departmental receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimate		
	2006/07	2007/08	2008/09	2009/10		2010/11	2011/12	2012/13
Departmental receipts	6 083	8 448	28 863	12 926	12 926	16 113	22 419	24 320
Sales of goods and services produced by department	3 450	3 968	4 608	7 330	7 330	9 150	9 699	10 220
Sales of scrap, waste, arms and other used current goods	-	87	46	-	-	100	106	200
Fines, penalties and forfeits	511	395	436	481	481	558	954	1 100
Interest, dividends and rent on land	482	1 283	3 905	2 061	2 061	2 701	4 240	5 000
Transactions in financial assets and liabilities	1 640	2 715	19 868	3 054	3 054	3 604	7 420	7 800
Total	6 083	8 448	28 863	12 926	12 926	16 113	22 419	24 320

Programme 1: Administration

Expenditure estimates

Table 17.4 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Minister ¹	925	1 108	1 584	1 709	1 816	1 916	2 012
Management	366 403	374 190	345 345	441 002	412 061	433 656	445 737
Corporate Services	36 092	41 187	47 416	46 436	44 402	48 049	49 334
Office of the Chief Financial Officer	51 275	71 587	79 183	71 141	69 311	75 050	77 536
Capital Works	2 721	-	-	-	-	-	-
Office Accommodation	77 339	84 417	94 399	109 805	122 407	131 964	141 390
Total	534 755	572 489	567 927	670 093	649 997	690 635	716 009
Change to 2009 Budget estimate				34 448	9 204	652	290

1. From 2008/09, the current payments relating to the total remuneration package of political office bearers are shown, before this, only salary and car allowance are included. Administrative and other subprogramme expenditure may in addition include payments for capital assets as well as transfers and subsidies.

Economic classification

	514 568	560 162	553 067	631 698	641 114	658 823	685 854
Current payments							
Compensation of employees	138 430	168 931	151 468	227 505	258 227	254 781	268 457
Goods and services	376 138	391 231	401 599	404 193	382 887	404 042	417 397
<i>of which:</i>							
<i>Administrative fees</i>	721	766	909	11 342	178	190	201
<i>Advertising</i>	8 353	13 135	19 943	9 545	6 490	7 897	7 957
<i>Assets less than the capitalisation threshold</i>	9 166	3 998	3 982	6 099	4 763	4 501	3 860
<i>Audit cost: External</i>	16 767	18 245	29 918	22 918	22 730	25 100	25 192
<i>Bursaries: Employees</i>	847	1 378	1 821	2 164	1 596	1 755	1 863
<i>Catering: Departmental activities</i>	1 924	1 870	1 860	2 241	1 992	2 015	1 942
<i>Communication</i>	17 789	25 713	23 899	21 511	17 640	19 064	19 881
<i>Computer services</i>	114 107	87 239	111 620	31 330	28 549	30 157	28 192
<i>Consultants and professional services: Business and advisory services</i>	1 249	545	1 365	2 876	3 108	3 121	3 269
<i>Consultants and professional services: Infrastructure and planning</i>	-	521	13	-	-	-	-
<i>Consultants and professional services: Legal costs</i>	1 785	1 236	2 291	911	1 153	1 214	1 051
<i>Contractors</i>	42 634	39 877	14 328	18 430	6 835	7 478	6 820
<i>Agency and support / outsourced services</i>	6 313	11 981	10 926	6 142	6 888	7 426	7 481
<i>Entertainment</i>	323	284	233	326	356	375	385
<i>Inventory: Food and food supplies</i>	-	2	-	3	-	-	-
<i>Inventory: Fuel, oil and gas</i>	69	68	652	152	160	173	193
<i>Inventory: Learner and teacher support material</i>	-	-	9	6	-	-	-
<i>Inventory: Materials and supplies</i>	-	19	163	196	3	4	4
<i>Inventory: Medical supplies</i>	14	-	9	33	-	-	-
<i>Inventory: Other consumables</i>	139	86	1 336	1 439	1 583	1 752	1 335
<i>Inventory: Stationery and printing</i>	11 941	14 673	16 028	16 635	17 445	17 258	16 662
<i>Lease payments</i>	69 452	75 685	86 034	162 560	187 141	203 736	219 104
<i>Property payments</i>	25 068	27 026	19 166	32 280	30 510	31 445	32 770
<i>Transport provided: Departmental activity</i>	86	214	-	38	-	-	-
<i>Travel and subsistence</i>	33 599	50 855	42 505	35 373	31 817	28 793	28 572
<i>Training and development</i>	5 020	5 545	4 691	5 778	3 620	3 489	3 423
<i>Operating expenditure</i>	1 576	3 775	1 431	6 550	2 882	2 951	2 879
<i>Venues and facilities</i>	7 196	6 495	6 467	7 315	5 448	4 148	4 361

Table 17.4 Administration (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Transfers and subsidies	1 399	1 049	2 199	928	159	168	178
Provinces and municipalities	88	-	-	-	-	-	-
Households	1 311	1 049	2 199	928	159	168	178
Payments for capital assets	17 914	8 964	8 409	37 467	8 724	31 644	29 977
Buildings and other fixed structures	12 044	6 260	2 724	29 363	3 771	3 996	15
Machinery and equipment	5 870	2 704	5 685	8 104	4 953	27 648	29 962
Payments for financial assets	874	2 314	4 252	-	-	-	-
Total	534 755	572 489	567 927	670 093	649 997	690 635	716 009

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	88	-	-	-	-	-	-
Regional Service Council levies	88	-	-	-	-	-	-
Households							
Social benefits							
Current	1 311	1 049	993	928	159	168	178
Resignation packages	1311	1 049	993	928	159	168	178
Households							
Other transfers to households							
Current	-	-	1 206	-	-	-	-
Gifts and donations	-	-	1 206	-	-	-	-

Expenditure trends

Expenditure increased at an average annual rate of 7.8 per cent, from R534.8 million in 2006/07 to R670.1 million in 2009/10, and is projected to grow to R716 million over the medium term, at an average annual rate of 2.2 per cent. Much of this increase is attributed to municipal services, accommodation and leases, which accounts for the increase in expenditure in the *Office Accommodation* subprogramme from R109.8 million in 2009/10 to R141.4 million in 2012/13, at an average annual rate of 8.8 per cent.

Spending in the *Management* subprogramme grew by 27.7 per cent, from R345.3 million in 2008/09 to R441.0 million in 2009/10, as a result of the restructuring of the department. The security services, legal services and the office of the chief information officer directorates were transferred from the *Corporate Services* subprogramme to this subprogramme. The *Management Support Services* subprogramme was transferred from the *Inspection and Enforcement Services* programme to the *Management, Corporate Services* and *Office of the Chief Financial Officer* subprogrammes, contributing to the substantial growth in spending between 2006/07 and 2009/10 on compensation of employees and goods and services, at an average annual rate of 18 per cent.

Spending on buildings and other fixed structures is estimated to grow by 977.9 per cent in 2009/10, from R2.7 million in 2008/09 to R29.4 million in 2009/10, due to the shift of the infrastructure projects for labour centres from the *Service Delivery* programme to the *Administration* programme.

Programme 2: Inspection and Enforcement Services

- *Management and Support Services: Inspection and Enforcement Services* manages the delegated administrative and financial responsibilities of the office of the deputy director-general: inspection and enforcement services, and provides corporate support to line function subprogrammes within the programme. Funding is mainly used for salaries and other personnel related costs.

- *Occupational Health and Safety* promotes health and safety in the workplace by regulating dangerous activities and the use of plant and machinery. Funding is mainly used for salaries and other personnel related costs.
- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety matters, as reported by members of the public, and communicates these to the relevant structures within the *Compliance, Monitoring and Enforcement* subprogramme for investigation. Funding is used for salaries and other personnel related costs.
- *Compliance, Monitoring and Enforcement* ensures that employers and employees comply with labour legislation through regular inspections and following up on reported incidents. Funding is used for compensation of labour inspectors and other personnel related costs.
- *Training of staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training within this programme in order to easily identify this expenditure for reporting purposes.

Objectives and measures

- Ensure Decent Work principles are adhered to by enforcing 80 per cent compliance with labour legislation by employers and employees by 2011, through regular inspections.
- Achieve a 2 per cent reduction in the socioeconomic cost of workplace injuries and diseases incidents by 2010/11 through regular audits and inspections to ensure the health and safety of workers.
- Improve compliance with all labour legislation related to the protection of vulnerable workers in targeted sectors, including in small, medium and micro enterprises (SMMEs), by 80 per cent by 2010/11 through targeted campaigns and regular inspections.
- Ensure transformation of the labour market by achieving 80 per cent compliance with the Employment Equity Act (1998) by 2010/11 through awareness raising and regular inspections and audits.
- Reduce silicosis by completing the baseline study on the prevalence of silicosis in the non-mining sector by April 2010.
- Reduce exposure to silica by 20 per cent by 2014 by:
 - establishing provincial silicosis working groups to conduct awareness raising road shows on the dangers of silica dust
 - assisting companies to develop programmes for the control of exposure to silica dust
 - conducting regular inspections
 - complete baseline study on prevalence of silicosis in non-mining sectors.
- Reduce noise related injuries by reducing exposure to noise at the workplace by 20 per cent by 2014 through the use of a baseline study, inspections and awareness campaigns.
- Reduce workplace injuries by at least 2 per cent by:
 - identifying 20 major high risk sector companies for full compliance auditing in 2010/11
 - improving compliance in the high risk sectors by 80 per cent by 2014 by conducting inspections.

Service delivery focus

In 2008/09, 79 per cent (4 505) of occupational health and safety incidents reported were investigated within 90 days and 56 per cent were finalised. By mid-2009/10, 42 per cent (3 161) of occupational health and safety incidents (including 1 854 from the previous year) had been investigated within 90 days. 5 326 incidents of work related injuries, diseases and death were reported in 2008/09, 4.4 per cent less than in 2007/08. In the first 6 months of 2009/10, 2 136 incidents had been reported, 2 per cent less than the targeted 2 183.

In 2008/09, 153 697 workplaces across all the economic sectors were inspected for compliance with labour legislation. 125 323 (82 per cent) were compliant within 90 days of inspection, against a target of 134 280, compared to 200 665 inspected and 156 924 or 78 per cent complying within 90 days in 2007/08.

Challenges that contributed to not meeting targets included: high staff turnover; a market shortage of qualified occupational health and safety personnel; delays in placing new staff given the time required for training; and

the lack of vehicles for inspectors in some provinces. Over the medium term, the department intends filling vacant posts, enhancing the capacity of current inspectors, and redirecting the necessary resources to enable inspectors to carry out their functions.

Expenditure estimates

Table 17.5 Inspection and Enforcement Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management and Support Services:	5 334	5 966	9 461	11 684	10 011	10 775	10 643
Inspection and Enforcement Services							
<i>Head Office</i>	5 334	5 966	9 461	11 684	10 011	10 775	10 643
Occupational Health and Safety	5 990	9 663	12 623	21 354	13 334	13 401	14 798
<i>Head Office</i>	5 990	9 664	12 621	21 354	13 334	13 401	14 798
Registration: Inspection and Enforcement Services	58 227	62 993	61 118	73 553	74 106	79 154	81 693
<i>Eastern Cape</i>	7 839	8 870	8 005	8 947	9 020	9 731	10 108
<i>Free State</i>	5 096	4 874	4 222	6 762	6 094	6 451	6 734
<i>Gauteng</i>	13 432	14 601	14 561	17 443	16 955	18 255	18 550
<i>KwaZulu-Natal</i>	8 730	10 324	9 846	12 235	12 174	13 204	13 326
<i>Limpopo</i>	3 698	3 968	3 886	5 353	5 199	5 505	5 745
<i>Mpumalanga</i>	5 067	4 928	5 372	5 966	6 362	6 742	7 040
<i>Northern Cape</i>	2 073	1 954	2 216	2 479	2 696	2 853	2 975
<i>North West</i>	4 137	4 200	4 211	4 555	5 077	5 330	5 563
<i>Western Cape</i>	8 156	9 273	8 799	9 813	10 529	11 083	11 652
Compliance, Monitoring and Enforcement	165 067	177 932	173 340	209 314	254 711	272 433	279 990
<i>Eastern Cape</i>	20 163	22 804	20 584	23 005	26 261	28 328	29 277
<i>Free State</i>	14 503	13 867	12 017	19 237	19 569	20 791	21 554
<i>Gauteng</i>	37 636	40 900	40 872	48 797	54 539	58 782	59 861
<i>KwaZulu-Natal</i>	26 187	30 979	29 542	36 705	42 353	45 801	45 934
<i>Limpopo</i>	13 120	14 074	13 777	18 970	20 802	22 082	22 904
<i>Mpumalanga</i>	14 446	14 016	15 287	16 985	20 397	21 686	22 490
<i>Northern Cape</i>	7 803	7 349	8 331	9 344	11 328	12 068	12 465
<i>North West</i>	13 096	13 300	13 343	14 430	18 008	19 102	19 702
<i>Western Cape</i>	18 112	20 643	19 587	21 841	26 454	27 968	29 187
<i>Head Office</i>	-	-	-	-	15 000	15 825	16 616
Training of Staff: Inspection and Enforcement Services	2 543	3 037	2 626	3 569	4 441	4 543	4 812
<i>Eastern Cape</i>	250	122	25	566	495	290	493
<i>Free State</i>	325	17	44	151	31	38	39
<i>Gauteng</i>	208	672	200	526	662	684	694
<i>KwaZulu-Natal</i>	797	690	233	1 600	1 839	1 991	2 023
<i>Limpopo</i>	122	167	232	259	263	318	323
<i>Mpumalanga</i>	34	161	49	93	376	402	408
<i>Northern Cape</i>	29	409	58	47	60	65	66
<i>North West</i>	-	-	83	105	159	168	170
<i>Western Cape</i>	112	238	91	1	248	263	267
<i>Head Office</i>	666	561	1 611	221	308	324	329
Total	237 161	259 591	259 166	319 474	356 603	380 306	391 936
Change to 2009 Budget estimate				(15 303)	5 050	358	159

Table 17.5 Inspection and Enforcement Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
Current payments	236 292	258 450	257 936	319 163	356 553	380 256	391 883
Compensation of employees	165 017	190 291	183 561	233 334	285 709	303 776	315 128
Goods and services	71 275	68 159	74 375	85 829	70 844	76 480	76 755
<i>of which:</i>							
Administrative fees	-	-	-	34	-	-	-
Advertising	186	1 060	4 426	2 526	2 138	1 518	1 983
Assets less than the capitalisation threshold	958	860	367	820	1 047	1 060	1 076
Audit cost: External	-	-	-	2	-	-	-
Bursaries: Employees	620	812	513	869	1 282	1 504	1 468
Catering: Departmental activities	651	1 174	855	1 210	1 082	1 063	1 089
Communication	19 752	14 943	12 072	14 231	13 675	15 019	14 949
Computer services	-	-	32	-	-	-	-
Consultants and professional services: Business and advisory services	3 188	1 508	135	7 272	1 156	1 217	1 237
Consultants and professional services: Infrastructure and planning	-	1 482	1 317	1 584	-	-	-
Consultants and professional services: Legal costs	11	7	17	98	-	-	-
Contractors	151	237	335	817	-	-	-
Agency and support / outsourced services	87	358	3 520	986	1 612	1 554	1 492
Entertainment	12	19	15	34	362	378	382
Inventory: Food and food supplies	-	-	-	31	-	-	-
Inventory: Fuel, oil and gas	-	-	168	164	256	254	223
Inventory: Learner and teacher support material	-	-	28	35	-	-	-
Inventory: Materials and supplies	3	-	54	397	82	82	83
Inventory: Medical supplies	1	-	1	20	-	-	-
Inventory: Other consumables	71	26	554	3 076	642	647	877
Inventory: Stationery and printing	3 327	3 715	4 668	5 986	5 926	6 188	6 359
Lease payments	1 136	870	276	658	1 844	1 975	2 158
Property payments	2 292	2 585	748	4 609	3 561	3 724	3 824
Transport provided: Departmental activity	341	153	3	10	-	-	-
Travel and subsistence	29 020	29 809	37 150	26 068	22 797	25 734	24 902
Training and development	2 543	3 037	2 626	3 569	4 441	4 543	4 812
Operating expenditure	1 181	532	417	2 518	3 889	4 469	4 208
Venues and facilities	5 744	4 972	4 078	8 205	5 052	5 551	5 633
Transfers and subsidies	394	710	1 106	186	50	50	53
Provinces and municipalities	86	-	-	-	-	-	-
Households	308	710	1 106	186	50	50	53
Payments for capital assets	475	431	126	125	-	-	-
Buildings and other fixed structures	120	-	-	-	-	-	-
Machinery and equipment	355	431	126	125	-	-	-
Total	237 161	259 591	259 168	319 474	356 603	380 306	391 936

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	86	-	-	-	-	-	-
Regional Service Council levies	86	-	-	-	-	-	-
Households							
Social benefits							
Current	308	710	1 106	186	50	50	53
Resignation packages	308	710	1 106	186	50	50	53

Expenditure trends

Expenditure increased from R237.2 million in 2006/07 to R319.5 million in 2009/10, at an average annual rate of 10.4 per cent. This is as a result of an increase in compensation of employees due to salary adjustments in 2009/10, the upgrading of labour inspector posts, and the re-evaluation of the salary contribution between the department, the Unemployment Insurance Fund and the Compensation Fund. In 2009/10, spending in the *Occupational Health and Safety* subprogramme grew by a significant 69.2 per cent due to funding for the development of a business case on the integration of occupational health and safety competencies in government, and the purchase of protective clothing, uniforms and toolkits for inspectors.

Over the medium term, expenditure is expected to increase from R319.5 million in 2009/10 to R391.9 million in 2012/13, at an average annual rate of 7.1 per cent. Spending on compensation of employees grows by 22.4 per cent in 2010/11, due to the allocation of R15 million to increase the number of occupational health and safety inspectors. This is expected to reduce expenditure on consultants over the MTEF period.

Spending over the MTEF period focuses on the professionalisation of the inspectorate and increasing inspections to improve employer compliance with labour legislation.

Programme 3: Public Employment Services

- *Management and Support Services: Public Employment Services* manages delegated administrative and financial responsibilities, coordinates all planning, monitoring and evaluation functions, and provides corporate support to line function subprogrammes. Funding is mainly used for salaries and other personnel related costs.
- *Employer Services* facilitates registering vacancies, generates and disseminates scarce skills information, issues immigrant corporate and work permits, records migrating skilled South Africans, oversees placements, responds to companies in distress, provides a social plan and regulates private employment agencies. Funding is mainly used for salaries and other personnel related costs.
- *Registration and Placement Services: Public Employment Services* registers work seekers, retrenched workers, work vacancies, training and income generating opportunities on the employment services system, and facilitates access to employment and income generating opportunities for the unemployed and underemployed. Funding is mainly used for salaries, personnel related costs and delivering frontline client services.
- *Designated Groups Special Services* facilitates the transfer of subsidies to national councils to promote the employment of persons with various disabilities and facilitates collaboration with sheltered employment factories and other relevant bodies to promote employing people with disabilities.
- *Sheltered Employment Factories and Subsidies to Designated Workshops* facilitates transfers to subsidised workshops for the blind and subsidised work centres for the disabled, and aims to improve the administration, production and financial control of sheltered employment factories and workshops.
- *Productivity South Africa* transfers funds to Productivity South Africa to promote improvements in workplace productivity and for social plan interventions where necessary.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund.
- *Compensation Fund* provides for costs incurred through claims from civil servants for injuries sustained on duty or occupational related illnesses and provides for the funding of possible requests from the Compensation Fund.
- *Training of Staff: Public Employment Services* defrays expenditure relating to the training of staff within this programme, to comply with the 1 per cent payroll Skills Development Levies Act (1999) obligation.

Objectives and measures

- Facilitate the entry and re-entry of jobseekers into the labour market through proactive measures to address unemployment and poverty by finalising the public employment services policy and the Employment Services Bill by September 2010.

- Reduce unemployment by placing unemployed people in decent work through:
 - filling at least 60 per cent of opportunities on the public employment services database within 30 days of registration of job opportunities on the system by 2011/12
 - referring at least 70 per cent of unemployed people registered on the public employment services database to career counselling, training or work placement opportunities or sheltered employment factories, Unemployment Insurance Fund and the Compensation Fund within 30 days by 2011/12.
- Assist in reducing unemployment by providing employment services interventions to distressed companies within 5 days of receiving notification.
- Facilitate the employment of 500 people with disabilities and/or veterans by ensuring that at least 30 per cent of government department orders are purchased from service products (sheltered employment factories) by the end of March 2011.
- Facilitate the achievement of employment equity targets for disability by businesses by establishing a pilot to train and place at least 50 learners per sheltered employment factory in the mainstream economy by the end of March 2011.

Service delivery focus

A single integrated employment services system was rolled out to provincial offices and labour centres in 2007/08 to improve access to these services. In 2008/09, 26 332 placement opportunities were registered on the system against a target of 6 000, compared to 15 364 placement opportunities registered at the end of 2007/08. In the same period, 18 404 work seekers were placed, against a target of 7 500, compared to 5 578 placed in 2007/08. 421 686 work seekers were registered on the system, compared to 169 059 at the end of 2007/08, an increase of 252 627. By the end of the first half of 2009/10, 13 852 placement opportunities were registered, 315 418 work seekers were registered, and 2 733 work seekers were placed in opportunities.

In partnership with the National Council for Persons with Physical Disabilities in South Africa, the department subsidised the salaries of 11 placement officials, who placed 763 persons with disabilities in employment compared to 415 people placed in 2007/08.

8 531 registered work seekers were assessed and 7 343 referred to identified critical and scarce skills development programmes by the end of the first half of 2008/09, compared to 17 376 assessed in 2007/08. By the end of the first half of 2009/10, 2 733 work seekers were assessed against a target of 1 525 and 838 were referred to identified critical and scarce skills development programmes.

Expenditure estimates

Table 17.6 Public Employment Services

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management and Support Services:	7 090	7 102	6 864	19 017	30 250	33 356	34 703
Public Employment Services							
<i>Head Office</i>	7 090	7 105	6 864	19 017	30 250	33 356	34 703
Employer Services	99 987	102 693	116 228	113 824	122 162	122 400	131 048
<i>Eastern Cape</i>	17 190	17 740	18 959	19 100	23 484	18 072	19 498
<i>Free State</i>	8 215	8 117	9 197	9 988	9 382	10 010	11 069
<i>Gauteng North</i>	6 865	5 404	7 707	8 182	8 573	9 004	10 012
<i>Gauteng South</i>	13 255	13 518	15 716	14 377	15 539	16 420	17 005
<i>KwaZulu-Natal</i>	14 658	12 277	14 507	14 146	16 065	17 080	18 019
<i>Limpopo</i>	7 769	9 397	8 916	8 999	10 413	11 108	12 122
<i>Mpumalanga</i>	9 905	10 481	11 879	12 099	11 213	11 852	12 112
<i>North Cape</i>	5 226	5 164	6 542	7 044	7 561	7 612	8 441
<i>North West</i>	7 615	8 774	10 299	9 357	9 098	9 695	10 647
<i>Western Cape</i>	9 288	11 835	12 508	10 542	10 834	11 547	12 123

Table 17.6 Public Employment Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Registration and Placement Services:	17 643	18 136	20 512	23 502	23 401	26 186	27 222
Public Employment Services							
<i>Eastern Cape</i>	3 034	3 127	3 432	3 280	3 269	3 640	3 782
<i>Free State</i>	1 449	1 434	1 661	1 936	1 926	2 218	2 301
<i>Gauteng North</i>	1 492	1 313	1 392	1 632	1 784	2 042	2 115
<i>Gauteng South</i>	2 057	2 029	2 347	3 129	3 052	3 392	3 518
<i>KwaZulu-Natal</i>	2 587	2 169	2 620	3 628	3 177	3 578	3 756
<i>Limpopo</i>	1 371	1 660	1 610	1 942	2 107	2 412	2 503
<i>Mpumalanga</i>	1 749	1 852	2 145	2 286	2 248	2 543	2 624
<i>North Cape</i>	922	913	1 185	1 322	1 607	1 708	1 772
<i>North West</i>	1 344	1 550	1 861	1 893	1 960	2 164	2 243
<i>Western Cape</i>	1 639	2 089	2 259	2 454	2 270	2 489	2 608
Designated Groups Special Services	491	650	501	643	681	722	758
<i>Head Office</i>	491	650	501	643	681	722	758
Sheltered Employment Factories and Subsidies to Designated Workshops	54 195	47 913	105 571	62 213	62 559	64 748	67 973
<i>Head Office</i>	54 195	47 913	105 571	62 213	62 559	64 748	67 973
Productivity South Africa	32 028	26 637	41 138	29 476	31 155	34 059	35 762
Unemployment Insurance Fund	–	–	–	1	1	1	1
Compensation Fund	7 028	5 898	6 366	8 976	8 949	9 605	10 085
Training of Staff: Public Employment Services	793	984	399	1 204	1 262	1 330	1 250
<i>Head Office</i>	8	170	93	95	111	120	122
<i>Eastern Cape</i>	59	183	11	106	111	120	122
<i>Free State</i>	13	9	60	9	21	26	26
<i>Gauteng North</i>	–	2	47	90	106	115	117
<i>Gauteng South</i>	132	272	–	171	205	201	205
<i>KwaZulu-Natal</i>	312	122	41	269	141	156	158
<i>Limpopo</i>	93	1	6	116	131	137	139
<i>Mpumalanga</i>	152	154	13	118	217	224	126
<i>North Cape</i>	–	1	4	43	20	21	22
<i>North West</i>	–	–	67	81	86	90	91
<i>Western Cape</i>	24	70	57	106	113	120	122
Total	219 255	210 031	297 581	258 866	280 420	292 407	308 802
Change to 2009 Budget estimate				(15 396)	1 147	(2 855)	125
Economic classification							
Current payments	127 014	130 562	146 181	159 626	179 161	185 485	196 534
Compensation of employees	94 230	94 621	111 687	119 175	141 704	141 857	164 842
Goods and services	32 784	35 941	34 494	40 451	37 457	43 628	31 692
<i>of which:</i>							
<i>Administrative fees</i>	–	–	–	598	195	195	3
<i>Advertising</i>	140	182	492	256	306	454	456
<i>Assets less than the capitalisation threshold</i>	871	589	509	571	789	967	990
<i>Bursaries: Employees</i>	78	182	100	168	290	325	350
<i>Catering: Departmental activities</i>	451	1 369	872	1 058	1 070	2 091	1 108
<i>Communication</i>	6 906	6 524	6 755	5 685	5 189	6 466	3 862
<i>Computer services</i>	39	320	265	–	380	483	336
<i>Consultants and professional services: Business and advisory services</i>	577	257	–	28	400	600	94
<i>Consultants and professional services: Infrastructure and planning</i>	–	431	–	–	–	–	–
<i>Contractors</i>	201	205	203	315	300	350	283
<i>Agency and support / outsourced services</i>	718	–	2 969	263	1 849	2 049	1 070

Table 17.6 Public Employment Services (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<i>Entertainment</i>	-	3	4	43	90	100	110
<i>Inventory: Fuel, oil and gas</i>	-	-	118	137	91	110	190
<i>Inventory: Materials and supplies</i>	-	-	26	6	10	9	9
<i>Inventory: Medical supplies</i>	1	2	2	4	5	4	4
<i>Inventory: Other consumables</i>	43	31	136	140	274	293	314
<i>Inventory: Stationery and printing</i>	1 891	2 131	1 854	11 337	2 955	3 309	2 282
<i>Lease payments</i>	947	766	200	245	638	760	411
<i>Property payments</i>	1 860	3 869	634	3 256	2 486	2 721	2 000
<i>Transport provided: Departmental activity</i>	9	53	37	10	180	190	166
<i>Travel and subsistence</i>	14 011	15 290	16 044	9 623	12 812	13 878	12 386
<i>Training and development</i>	793	984	400	1 857	1 262	1 330	1 250
<i>Operating expenditure</i>	451	321	340	1 188	901	959	816
<i>Venues and facilities</i>	2 797	2 427	2 534	3 663	4 985	5 985	3 198
Transfers and subsidies	91 805	79 179	151 257	99 160	101 259	106 922	112 268
Provinces and municipalities	53	-	-	-	-	-	-
Departmental agencies and accounts	39 056	32 535	47 504	38 453	40 105	43 665	45 848
Foreign governments and international organisations	-	139	-	-	-	-	-
Non-profit institutions	52 658	46 361	103 276	60 522	61 123	63 226	66 387
Households	38	144	477	185	31	31	33
Payments for capital assets	436	272	141	70	-	-	-
Machinery and equipment	436	272	141	70	-	-	-
Total	219 255	210 013	297 579	258 856	280 420	292 407	308 802

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	53	-	-	-	-	-	-
Regional Service Council levies	53	-	-	-	-	-	-
Departmental agencies and accounts							
Social security funds							
Current	7 028	5 898	6 366	8 977	8 950	9 606	10 086
Unemployment Insurance Fund	-	-	-	1	1	1	1
Compensation Fund	7 028	5 898	6 366	8 976	8 949	9 605	10 085
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	32 028	26 637	41 138	29 476	31 155	34 059	35 762
Productivity SA	32 028	26 637	41 138	29 476	31 155	34 059	35 762
Foreign governments and international organisations							
Current	-	139	-	-	-	-	-
World Association of Public Employment Services	-	139	-	-	-	-	-
Non-profit institutions							
Current	52 658	46 361	103 276	60 522	61 123	63 226	66 387
Deaf Federation of South Africa	84	97	105	173	183	201	221
National Council for the Physically Disabled	181	182	159	210	223	233	234
SA National Council for the Blind	226	232	236	260	275	288	303
Subsidised Workshops for the Blind	6 707	7 042	7 365	7 733	8 196	8 688	9 122
Subsidised Work-Centres for the Disabled	45 460	38 808	95 411	52 146	52 246	53 816	56 507
Households							
Social benefits							
Current	38	144	477	185	31	31	33
Household	38	144	477	185	31	31	33

Expenditure trends

Expenditure increased at an average annual rate of 5.7 per cent, from R219.3 million in 2006/07 to R258.9 million in 2009/10, mainly due to higher transfer payments in the *Productivity South Africa* and the *Sheltered Employment Factories and Subsidies to Designated Workshops* subprogrammes to compensate for administrative losses. In addition, expenditure on compensation of employees increased as a result of the drive to fill all vacancies and appoint career counsellors, and the impact of resolutions 3 and 5 of 2009 of the Public Service Coordinating Bargaining Council. These increases were marginally offset by lower transfer payments to the *Sheltered Employment Factories and Subsidies to Designated Workshops* subprogramme, Productivity South Africa and the Compensation Fund.

Over the medium term, expenditure is expected to increase from R258.9 million in 2009/10 to R308.8 million in 2012/13, at an average annual rate of 6.1 per cent. The increased spending on compensation of employees in 2010/11 by 18.9 per cent is due to the appointment of additional career counsellors.

Spending over the MTEF period focuses on ensuring the greater use of the employment service system to reduce unemployment, and the development of the Decent Work agenda. The 2010/11 budget allocation will be used to sustain existing employment services functions and for developing and piloting some of the functions proposed in the new Public Employment Services Bill.

Public entities

Productivity SA

Strategic overview: 2006/07 – 2012/13

Productivity SA was established in 1970 and is mandated by government, labour and business to improve productivity and thus contribute to South Africa's socioeconomic development and competitiveness. It aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between partners.

Key priorities for the medium term include promoting productivity knowledge and awareness, skills development, accelerating productivity enhancement, productivity interventions within the non-formal economy, industry sector collaborations and strategies, and turnaround solutions for companies through training in productivity and implementing turnaround solutions and establishing future forums. Future forums comprise both management and labour, who will agree to share information and deal with matters of mutual interest through a formally signed agreement.

Savings and cost effective service delivery

Productivity SA has strengthened its internal capacity, enabling it to outsource only those functions that are not core to the organisation, such as the legal and human resources functions. This has been made possible as a result of its international strategic partnerships on skills transfer such as partnerships with the Asian Productivity Organisation, which provided training in basic and advanced courses on productivity for practitioners. This has equipped employees with techniques to use in interventions. Productivity SA also visited model companies in Japan to learn best practices from those organisations. Training in productivity competencies is done by training the trainer (as opposed to training individuals), resulting in higher reach in a cost effective way. Partnerships with the private and public sectors in relation to recruiting companies for interventions and sponsorship of venues are resulting in significant cost savings.

Selected performance indicators

17.7 Productivity SA

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of education, training and development service providers trained as productivity trainers per year	60	676	1 057	500	600	700	800
Number of emerging entrepreneurs trained in productivity improvement and competencies per year	598	1 181	935	2 500	3 500	4 000	4 000
Number of skills development facilitators trained in productivity per year	2	121	79	200	250	300	400
Number of managers and workers trained per year to enhance productivity competencies and mindsets in private and public enterprises	182	495	731	600	650	200	700
Number of future forums established per year at companies with turnaround solutions	108	100	120	120	120	120	120

Service delivery focus

In 2008/09, 1 057 education, training and development service providers were trained in productivity concepts against the target of 480. This was due to the provincial education departments in North West, Gauteng and Mpumalanga providing an extra 577 teachers to be trained on productivity concepts, which they were able to introduce in their classroom sessions. 79 skills development facilitators were trained against the target of 120, 625 workers were trained against the target of 480, 106 managers were trained as productivity practitioners against the target of 50 due to a request to train turnaround and pro-active future forums for an additional 145 workers, and 935 SMMEs were trained on productive capacity building against the target of 1 800 as a result of discontinuing the contract with the Small Enterprise Development Agency, only 2 500 learners were exposed to productivity concepts during the schools debating competition. In the first 2 quarters of 2009/10, 187 education, training and development service providers were trained in productivity concepts, 209 skills development facilitators were trained, 705 managers and workers were trained to enhance productivity competencies, and 331 emerging entrepreneurs were trained in productivity improvement.

Expenditure estimates

Table 17.8 Productivity South Africa: Activity information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration / Operations	49 730	50 837	53 515	54 749	58 142	61 676	64 664
Public Sector Productivity	5 867	5 615	6 432	6 067	6 370	6 689	7 023
Workplace Challenge Programme	7 378	7 061	7 998	7 630	8 011	8 412	8 832
Social Plan: Turning-around Distressed Organisations	7 378	7 061	7 998	7 630	8 011	8 412	8 832
Knowledge, Awareness and Information	2 934	2 807	3 180	3 033	3 185	3 344	3 511
Total expense	73 287	73 382	79 123	79 108	83 719	88 532	92 863

Table 17.9 Productivity South Africa: Financial information

Statement of financial performance	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Revenue							
Non-tax revenue	10 191	10 014	16 375	13 773	14 553	14 181	14 794
Sale of goods and services other than capital assets	9 796	9 653	16 232	13 653	14 443	14 091	14 794
of which:							
Sales by market establishments	9 796	9 653	16 232	13 653	14 443	14 091	14 794
Other non-tax revenue	395	361	143	120	110	90	-
Transfers received	57 236	57 157	74 967	65 335	69 166	74 351	78 069
Total revenue	67 427	67 427	67 171	79 108	83 719	88 532	92 863

Table 17.9 Productivity South Africa: Financial information (continued)

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Expenses							
Current expense	72 837	73 132	78 873	78 792	83 384	88 177	92 463
Compensation of employees	27 032	29 164	29 604	31 672	33 889	36 261	37 832
Goods and services	44 996	43 062	48 776	46 600	48 954	51 387	53 896
Depreciation	800	904	493	520	541	529	735
Interest, dividends and rent on land	9	2	-	-	-	-	-
Transfers and subsidies	450	250	250	316	335	355	400
Total expenses	73 287	73 382	79 123	79 108	83 719	88 532	92 863
Surplus / (Deficit)	(5 860)	(6 211)	12 219	-	-	-	-

Expenditure trends

Transfers received from the Department of Labour are the main source of revenue and make up an average of 83.6 per cent of total income over the 7-year period. Between 2006/07 and 2012/13, total revenue grows at an average annual rate of 5.5 per cent, from R67.4 million to R92.9 million. Non-tax revenue grew by 63.5 per cent in 2008/09, mainly due to external consulting done by Productivity SA staff in public and private sector organisations. The subsequent decline in non-tax revenue is due to Productivity SA's narrowed mandate, which is derived from the amended Skills Development Act (1999), and a renewed focus on national priorities.

Expenditure is driven mainly by spending on goods and services, which makes up an average of 59.3 per cent of total expenditure over the 7-year period. Over the medium term, total expenditure is projected to grow at an average annual rate of 5.5 per cent, compared to slower growth of 2.6 per cent between 2006/07 and 2009/10. Spending on compensation of employees is expected to grow at a steady average annual rate of 6.1 per cent over the medium term. The surplus of R12.2 million in 2008/09 was due to a cash injection from the department, and the implementation of a turnaround strategy to improve business operations and remain solvent.

Unemployment Insurance Fund

Strategic overview: 2006/07 – 2012/13

The Unemployment Insurance Fund contributes to the alleviation of poverty in South Africa by providing short term unemployment insurance to all workers who qualify for unemployment related benefits as legislated in the Unemployment Insurance Act (2001) as amended. The fund is financed by a dedicated tax on the wage bill as legislated in the Unemployment Insurance Contributions Act (2002).

The Unemployment Insurance Fund's strategic and policy framework is based on the Minister of Labour's programme of action and policy directives from the Department of Labour.

Over the medium term, the fund will focus on implementing the new service delivery model that involves both the decentralisation and integration of services. A service delivery improvement plan has been developed that embraces this new model, as well as good governance principles and a commitment to Batho Pele.

Key priorities for the short to medium term include: participating in the social security reform project; developing and supporting schemes to alleviate poverty; enforcing compliance by employers on declarations and contributions; improving the accuracy of information on the database; recovering overpayments; enhancing controls to minimise and/or prevent overpayments; increasing returns on investments; improving unemployment insurance benefits; improving the financial position of the fund; and building and sustaining organisational capabilities. The Unemployment Insurance Fund remains committed to bringing services closer to its diversified client base in all provinces by increasing the number of sites at which the decentralised processing of claims can take place from 14 to 57.

Selected performance indicators

17.10 Unemployment Insurance Fund

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Percentage of benefit claims finalised within the allocated period	81% (464 005)	76.5% (403 836)	76% (476 705)	70%	80%	85%	90%
Turnaround time to process claims (weeks)	6	6	5	5	5	5	5
Number of new claims processed*	572 846	527 890	610 736	–	–	–	–
Percentage increase in revenue collection compared to the previous year	16.39% (R8.1bn)	13.75% (R9.1bn)	12.66% (R10.3bn)	Linked to CPIX	Linked to CPIX	Linked to CPIX	Linked to CPIX

* No projections as all claims received that meet the requirements are processed

Service delivery focus

The Unemployment Insurance Fund paid R3.9 billion in claims to 610 736 beneficiaries in 2008/09, of which: R2.8 billion was paid to 474 793 claimants for unemployment benefits; R211 million to 25 648 claimants for illness benefits; R537 million to 94 336 claimants for maternity and adoption benefits; and R263 million to 15 959 claimants for dependant benefits. By September 2009/10, the fund had paid out R2.9 billion and approved 417 773 claims. Given the economic downturn, the Unemployment Insurance Fund expects claims for unemployment benefits to increase substantially in 2010/11.

By the end of September 2009, the fund had registered 72 893 new employers on its database, raising the total to 1 239 360. 238 206 employees were added, raising the total number of employee contributors to 7 678 760. Improvements in the fund's business processes and communications resulted in an approval rate of 97 per cent of all benefit claims.

Expenditure estimates

Table 17.11 Unemployment Insurance Fund: Activity information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Unemployment Benefits	1 991 428	2 030 877	2 834 157	3 943 040	4 280 605	4 879 890	5 563 075
Illness Benefits	179 776	187 381	211 639	356 196	386 690	440 827	502 543
Maternity Benefits	418 477	460 237	537 071	828 203	899 105	1 024 980	1 168 477
Adoption Benefits	708	670	503	1 400	1 520	1 733	1 975
Dependants Benefits	247 462	242 295	263 867	490 119	532 080	606 570	691 490
Other activities	618 392	1 565 950	817 539	2 868 097	1 922 022	2 018 667	2 153 575
Total expense	3 456 243	4 487 410	4 664 776	8 487 055	8 022 022	8 972 667	10 081 135

Table 17.12 Unemployment Insurance Fund: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	1 478 615	2 271 524	3 660 149	2 971 329	3 560 938	4 193 139	4 867 295
Sale of goods and services other than capital assets <i>of which:</i>	1 512	1 848	2 024	1 865	1 883	1 903	1 921
<i>Sales by market establishments</i>	1 512	1 848	2 024	1 865	1 883	1 903	1 921
<i>Other non-tax revenue</i>	1 477 103	2 269 676	3 658 125	2 969 464	3 559 055	4 191 236	4 865 374
Unemployment contributions	7 985 365	9 082 846	10 223 924	10 409 835	9 767 605	10 255 985	10 768 785
Total revenue	9 463 980	11 354 370	13 884 073	13 381 164	13 328 543	14 449 124	15 636 080

Table 17.12 Unemployment Insurance Fund: Financial information (continued)

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Expenses							
Current expense	883 391	1 259 606	757 532	1 308 987	1 516 702	1 572 046	1 645 323
Compensation of employees	287 845	335 110	349 014	597 965	717 204	760 236	802 810
Goods and services	594 857	919 496	405 091	705 836	794 375	806 426	836 881
Depreciation	558	4 568	3 400	5 186	5 123	5 384	5 632
Interest, dividends and rent on land	131	432	27	–	–	–	–
Transfers and subsidies	2 572 852	3 227 804	3 907 244	7 178 068	6 505 320	7 400 621	8 435 812
Total expenses	3 456 243	4 487 410	4 664 776	8 487 055	8 022 022	8 972 667	10 081 135
Surplus / (Deficit)	6 007 737	6 866 960	9 219 297	4 894 109	5 306 521	5 476 457	5 554 945

Expenditure trends

Total revenue grows at an average annual rate of 8.7 per cent over the 7-year period, with unemployment insurance contributions or transfers received comprising an average of 75.6 per cent of total revenue over this period. Non-tax revenue, which is driven by interest received from investments, comprises an average of 24.4 per cent of total revenue over the 7-year period.

Expenditure grew from R3.5 billion in 2006/07 to R8.5 billion in 2009/10 at an average annual rate of 34.9 per cent, and is estimated to reach R10.1 billion in 2012/13. This is as a result of an increase in expenditure on compensation of employees, which grew by 71.3 per cent in 2009/10 due to the appointment of additional regional staff and payroll auditors, and general salary adjustments. Expenditure on compensation of employees is expected to grow at an average annual rate of 10.3 per cent over the MTEF period due to the decentralisation of staff for Unemployment Insurance Fund functions in the provinces, and the organisational restructuring of the fund. Spending on goods and services grows at an average annual rate of 5.9 per cent over the 7-year period with significant increases in expenditure in 2007/08 and 2009/10, by 54.6 per cent and 74.2 per cent respectively, due to the decentralisation of services and costs related to appointing additional staff.

Transfers and subsidies paid or unemployment insurance claims paid, increased by 83.7 per cent in 2009/10 due to adverse global economic conditions, which increased unemployment in South Africa. This trend is expected to continue over the medium term.

The accumulated surplus is projected to reach R41.3 billion in 2012/13. The fund has reserved R19.6 billion for outstanding and future claims as recommended by the fund's actuaries.

Compensation Fund

Strategic overview: 2006/07 – 2012/13

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act (1993) as amended. In terms of the act, the fund's main objective is to provide compensation for disability, illness and death resulting from occupational injuries and diseases.

The fund generates its revenue from levies paid by employers, which consists mainly of annual assessments paid by registered employers on the basis of a percentage or fixed rate of the annual earnings of their employees. The Compensation for Occupational Injuries and Diseases Act (1993), however, makes provision for a minimum assessment to ensure that the assessment is not less than the administration costs incurred.

New business processes have been developed and a proof of concept is under way for the implementation of an integrated claims management system that will improve turnaround time and efficiencies in service delivery. Testing has been completed and a pilot is in progress. The new system will facilitate the electronic submission of claims, the final decentralisation of the remaining functions, and the business process automation and organisational structure redesign. To enhance the quality of and access to services, the fund plans to decentralise its functions to four provinces by March 2010, a process that began with a pilot in Limpopo in July 2009.

Selected performance indicators

17.13 Compensation Fund

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of new claims registered	213 246	209 830	209 830	203 711	346 309	346 379	588 844
Percentage of registered claims finalised	90% (721)	70% (957)	70% (777)	70% (1 243)	70% (2 113)	70% (3 593)	70% (6 108)
Percentage of medical claims finalised within a 3-month period	90% (886 511)	70% (777 320)	70% (815 045)	60% (896 550)	70% (986 204)	70% (1 084 825)	70% (1 193 307)
Percentage growth in assessment revenue	14% (R295 651)	2% (R323 368)	2% (R380 244)	7% (R399 256)	3% (R419 219)	4% (R440 180)	5% (R462 189)
Percentage increase in the number of registered employers	9% (295 651)	9% (323 368)	4% (336 303)	5% (353 118)	5% (370 773)	5% (389 312)	5% (408 778)
Percentage of debtors revenue collected per year	78% (R59 298)	1% (R264 210)	0% (R105 277)	0% (R105 277)	1% (R106 329)	1% (R107 393)	1% (R108 467)

Service delivery focus

In 2008/09, the Compensation Fund paid 327 647 claims. All new claims were registered within 2 days and liability on most newly registered claims was finalised within 5 days. 70 per cent of medical claims, totalling R1.5 billion, were paid within 3 months of receiving full documentation, compared to R1.2 billion in 2007/08. By the end of the second quarter of 2009/10, 94.7 per cent of current claims were processed and paid within 80 days of receiving complete documentation. R4.5 billion in revenue was collected, a 16 per cent increase from 2007/08. The number of registered employers increased by 4 per cent compared to 2007/08, rising from 323 368 to 336 303. In the first 6 months of 2009/10, the fund registered 10 154 new employers on the database. The backlog on claims registered from 2000 to 2004 was finalised in the first quarter of 2008/09. Of the 180 392 claims brought forward from previous years, 46 000 were paid. The remaining 134 392 were closed without payment as there were no benefits payable. The turnaround time on medical payments averaged 38 days for 172 656 claims. This translates into a 62 per cent improvement in the turnaround time for medical payments compared to 2007/08. Processes, capacity and systems are being improved to increase this turnaround time further. Claims amounted to R2.9 billion, compared to R1.3 billion in 2007/08, an increase of 56 per cent.

Expenditure estimates

Table 17.14 Compensation Fund: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration/Operations	859 583	602 234	439 403	1 421 478	848 959	970 437	1 190 727
Medical Claims	1 414 646	1 287 188	1 540 340	1 428 343	1 646 509	1 897 503	2 291 155
Compensation Claims	655 000	652 000	165 274	616 202	669 486	718 541	847 993
Claims Provisions	609 250	1 863 000	2 073 796	2 077 456	2 019 567	2 125 046	2 342 781
Other programmes	144 022	1 618 794	1 223 859	858 034	1 099 747	1 105 864	1 107 824
Total expense	3 682 501	6 023 216	5 442 672	6 401 512	6 284 269	6 817 392	7 780 480

Table 17.15 Compensation Fund: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	1 413 459	1 752 537	2 578 392	1 854 814	2 427 888	2 779 725	3 172 440
Sale of goods and services other than capital assets <i>of which:</i>	14 772	2 219	21 211	13 000	21 400	23 540	25 894
<i>Admin fees</i>	14 772	2 219	21 211	13 000	21 400	23 540	25 894
<i>Other non-tax revenue</i>	1 398 687	1 750 318	2 557 181	1 841 814	2 406 488	2 756 185	3 146 546
Social contributions	3 077 284	3 556 263	4 035 398	2 824 779	3 590 152	3 733 758	4 181 809
Total revenue	4 490 743	5 308 800	6 613 790	4 679 593	6 018 040	6 513 483	7 354 249

Table 17.15 Compensation Fund: Financial information (continued)

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Expenses							
Current expense	859 583	602 234	439 403	1 514 743	1 071 882	1 227 345	1 879 036
Compensation of employees	122 123	148 643	131 051	323 969	380 261	437 189	498 488
Goods and services	736 076	453 144	303 734	1 187 517	680 394	774 213	1 358 760
Depreciation	1 384	447	4 571	3 257	10 814	15 462	21 168
Interest, dividends and rent on land	–	–	47	–	413	481	621
Transfers and subsidies	2 822 918	5 420 982	5 003 269	4 886 770	5 212 387	5 590 047	5 901 443
Total expenses	3 682 501	6 023 216	5 442 672	6 401 512	6 284 268	6 817 392	7 780 480
Surplus / (Deficit)	808 242	(714 416)	1 171 118	(1 721 919)	(266 229)	(303 909)	(426 231)

Expenditure trends

Employer assessment fees, or transfers received, is the main contributor to revenue, and make up an average of 61.5 per cent of total income over the 7-year period. Income from investments constitutes an average of 38.2 per cent of total income over the same period. Total revenue grows at an average annual rate of 8.6 per cent over the 7-year period, due to increased income from investments and employer assessment fees.

The main cost drivers of spending are transfers paid, or benefit claims paid, and goods and services. Total spending increased at an average annual rate of 20.2 per cent, from R3.7 billion 2006/07 to R6.4 billion in 2009/10, and is projected to grow at a slower average annual rate of 6.7 per cent over the MTEF period. Spending in compensation of employees increases from R324 million in 2009/10 to R498.5 million in 2012/13, at an average annual rate of 15.4 per cent, due to the implementation of a new senior management structure. The 291 per cent growth in spending on goods and services from 2008/09 to 2009/10 was due to the appointment of 6 consulting companies to help the fund improve its accounting, internal audit, risk management and organisational development practices. R13.2 billion was paid in claims for work related injuries, diseases and deaths from 2006/07 to 2008/09. This grew from R2.8 billion in 2006/07 to R4.9 billion in 2008/09.

The projected deficit of R1.7 billion in 2009/10 is due to the payment of merit rebates, while the deficits over the medium term are due to claims paid being higher than contributions received. However, the fund has adequate cash and reserves to fund these projected deficits.

Programme 4: Labour Policy and Labour Market Programmes

- *Management and Support Services: Labour Policy and Labour Market Programmes* manages delegated administrative and financial responsibilities, coordinates all planning, monitoring and evaluation functions, and provides corporate support to line function subprogrammes. Funding is mainly used for salaries and other personnel related costs.
- *Strengthen Civil Society* aims to strengthen the capacity of workers and employers to contribute to a stable and smoothly functioning labour market by providing resources, support and expertise to improve the independence and self-reliance of workers and employers through transfers to the Development Institute for Training, Support and Education for Labour, the Workers' College KwaZulu-Natal, the South African Labour Bulletin, the Southern Cape Land Committee Trust, selected rural advice offices, the Congress of South African Trade Unions and the South African Confederation of Trade Unions.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) through policies and practices that promote sound labour relations. Funds are mainly used to: register labour organisations and de-register those that are non-compliant; publish and extend collective agreements; support and advance participation in collective bargaining structures; participate in the governance structures of the Commission for Conciliation, Mediation and Arbitration ; and to participate in relevant National Economic Development and Labour Council activities.

- *Employment Equity and Standards* promotes equity in the labour market through improving enforcement of the Employment Equity Act (1998), and protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997). Funds are mainly used for reviewing Johannesburg Stock Exchange listed companies for employment equity substantive compliance, publishing employment equity compliance information, and marketing the employment equity online reporting facility. Funds are also used to extend sectoral determinations to increase the protection of vulnerable workers and promote the protection of children.
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes social justice and fairness in the workplace through dispute management and dispute resolution services.
- *Research, Policy and Planning* researches and monitors working conditions and policies affecting the labour market in South Africa. Funds are mainly used for research, monitoring and evaluation activities, and publishing research findings.
- *Labour Market Information and Statistics* collects, collates, analyses and disseminates internal and external labour market statistics about changes in the South African labour market that impact legislation. Funding is mainly used for salaries, and other personnel related costs.
- *International Labour Matters* facilitates compliance with international obligations, multi- and bilateral relations and makes transfers to these bodies for membership fees.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity.

Objectives and measures

- Improve the status of vulnerable workers by:
 - reviewing the working conditions of 3 industrial and economic sectors (civil engineering, hospitality, and contract cleaning), learnerships and the ministerial determination on conditions of employment for employees in expanded public works programmes by March 2011
 - establishing the feasibility of promulgating sectoral determinations in the unskilled labour and welfare sectors by March 2011
 - developing a report on the norms and benchmarks for proportionate income differentials by March 2011.
- Address developments in the labour market, including labour broking and legislative compliance and enforcement, by publishing amendment bills to the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997) and the Employment Equity Act (1998) by March 2011
- Strengthen employment equity implementation and enforcement mechanisms by conducting a director-general review at 60 JSE Securities Exchange listed companies by March 2011.
- Create decent work and sustainable livelihoods by developing and implementing a research, monitoring and evaluation agenda, which includes providing labour market information and statistical analysis and facilitating compliance with international obligations and multilateral and bilateral relations, by March 2011.
- Manage the implementation of the Labour Relations Act (1995) by extending collective agreements and registering or de-registering labour organisations within 90 days.

Service delivery focus

In relation to promoting equity in the labour market, in 2008/09, 74 companies from the top 100 JSE Securities Exchange list, including the multinationals operating in similar sectors, were subjected to a director-general review. Between April and September 2009, 18 companies out of the 70 evaluated had complied with the department's recommendations. Feedback was given to the other 52 companies, including on shortcomings in information provided, especially on employment equity plans.

In 2008/09, 54 bargaining council collective agreements were extended to non-parties, covering 722 757 workers. 23 were main collective agreements covering wages and basic conditions of employment, and 31 were for administration and social benefit funds. By the end of the second quarter of 2009/10, 15 collective agreements had been extended covering 938 738 employees. The department approved 6 out of 110 applications to register labour organisations and deregistered 25 employers' organisations and 47 trade unions. There were thus 215 registered trade unions and 180 registered employers' organisations at the end of 2008/09.

The following sectoral determinations were reviewed in 2009/10: private security, contract cleaning, civil engineering, and domestic workers. Investigations into vulnerable sectors either concluded or currently under discussion at the Employment Conditions Commission, include: wholesale and retail sector, welfare sector, ministerial determination on conditions of employment for employees on expanded public works programmes, and the code of good practice for workers in expanded public works programmes.

The first research, monitoring and evaluation recommendations are currently being implemented, such as the reviews of legislation. The second research, monitoring and evaluation agenda was finalised in 2009/10 and includes research on: the national skills development strategy; high risk occupational health and safety sectors; client satisfaction with the Unemployment Insurance Fund; the impact of Employment Services of South Africa; and non-compliance with the Unemployment Insurance Act (2001). The 4 annual labour market reports for 2009/10 have been developed.

Expenditure estimates

Table 17.16 Labour Policy and Labour Market Programmes

Subprogramme	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand							
Management and Support Services	7 251	7 306	8 078	9 617	8 975	11 411	11 810
Strengthen Civil Society	9 447	9 919	15 903	13 795	14 379	15 063	15 802
Collective Bargaining	7 817	9 005	9 321	11 114	9 862	11 744	12 236
Employment Equity and Standards	23 939	23 370	23 613	25 113	19 143	25 326	26 018
Commission for Conciliation, Mediation and Arbitration	244 714	270 646	261 710	324 442	373 817	353 388	370 066
Research, Policy and Planning	10 311	15 021	4 785	17 205	12 772	18 216	18 627
Labour Market Information and Statistics	20 782	23 799	22 399	26 411	24 512	31 027	32 113
International Labour Matters	15 142	17 010	22 406	18 064	17 052	19 633	20 470
National Economic Development and Labour Council	12 712	13 348	14 327	15 026	16 357	17 394	18 604
Total	352 115	389 424	382 542	460 787	496 869	503 202	525 746
Change to 2009 Budget estimate				34 440	7 036	475	213
Economic classification							
Current payments	78 036	88 003	79 496	97 707	83 119	107 688	111 117
Compensation of employees	37 685	44 050	44 619	52 613	52 765	60 153	62 990
Goods and services	40 351	43 953	34 877	45 094	30 354	47 535	48 127
<i>of which:</i>							
<i>Administrative fees</i>	1	–	88	69	8	24	24
<i>Advertising</i>	6 240	11 306	10 607	4 847	4 183	5 627	5 698
<i>Assets less than the capitalisation threshold</i>	351	237	64	631	222	298	302
<i>Bursaries: Employees</i>	–	–	4	75	81	109	110
<i>Catering: Departmental activities</i>	192	147	242	285	284	383	387
<i>Communication</i>	1 400	1 375	1 467	1 524	1 152	1 551	1 570
<i>Computer services</i>	6 444	563	131	2 269	204	274	278
<i>Consultants and professional services: Business and advisory services</i>	139	26	265	1 568	216	291	294
<i>Consultants and professional services: Legal costs</i>	353	–	–	1 722	200	269	272
<i>Contractors</i>	66	55	257	91	112	151	153
<i>Agency and support / outsourced services</i>	8 920	12 654	1 882	10 826	8 158	15 618	15 813
<i>Entertainment</i>	31	34	19	65	54	73	74

Table 17.16 Labour Policy and Labour Market Programmes (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Economic classification							
<i>Inventory: Fuel, oil and gas</i>	-	-	57	42	-	-	-
<i>Inventory: Learner and teacher support material</i>	-	-	24	192	185	248	251
<i>Inventory: Materials and supplies</i>	-	5	14	4	-	-	-
<i>Inventory: Medical supplies</i>	4	-	1	-	-	-	-
<i>Inventory: Other consumables</i>	29	6	36	97	135	182	184
<i>Inventory: Stationery and printing</i>	4 583	4 471	2 897	4 661	2 445	3 325	3 366
<i>Lease payments</i>	616	443	909	472	274	369	374
<i>Property payments</i>	682	374	228	475	154	207	210
<i>Transport provided: Departmental activity</i>	-	4	-	-	-	-	-
<i>Travel and subsistence</i>	7 352	9 405	11 482	9 265	9 311	14 532	14 713
<i>Training and development</i>	655	964	1 135	1 529	1 103	1 484	1 502
<i>Operating expenditure</i>	487	387	281	660	361	486	492
<i>Venues and facilities</i>	1 806	1 497	2 787	3 725	1 512	2 034	2 060
Transfers and subsidies	273 780	301 272	302 686	362 856	413 697	395 483	414 596
Provinces and municipalities	25	-	-	-	-	-	-
Departmental agencies and accounts	257 426	283 994	275 669	338 996	389 685	370 209	388 072
Foreign governments and international organisations	6 882	7 277	10 377	9 295	9 633	10 211	10 722
Non-profit institutions	9 447	9 919	15 903	13 795	14 379	15 063	15 802
Households	-	82	737	770	-	-	-
Payments for capital assets	299	149	360	224	53	31	33
Machinery and equipment	299	149	360	224	53	31	33
Total	352 115	389 424	382 542	460 787	496 869	503 202	525 746

Details of transfers and subsidies

Provinces and municipalities							
Municipalities							
Municipal bank accounts							
Current	25	-	-	-	-	-	-
Regional Service Council levies	25	-	-	-	-	-	-
Departmental agencies and accounts							
Departmental agencies (non-business entities)							
Current	257 426	283 994	275 669	338 996	389 685	370 209	388 072
Commission for Conciliation, Mediation and Arbitration	244 714	270 646	261 710	324 442	373 817	353 388	370 066
National Economic Development and Labour Council	12 712	13 348	13 959	14 554	15 868	16 821	18 006
Foreign governments and international organisations							
Current	6 882	7 277	10 377	9 295	9 633	10 211	10 722
International Labour Organisation	6 409	6 837	9 777	8 718	9 035	9 577	10 056
African Regional Labour Administration Centre	473	440	600	577	598	634	666
Non-profit institutions							
Current	9 447	9 919	15 903	13 795	14 379	15 063	15 802
Strengthen Civil Society	9 447	9 919	15 903	13 795	14 379	15 063	15 802
Households							
Social benefits							
Current	-	82	737	770	-	-	-
Resignation packages	-	82	737	770	-	-	-

Expenditure trends

Expenditure increased from R352.1 million in 2006/07 to R460.8 million in 2009/10, at an average annual rate of 9.4 per cent, mainly due to additional transfers to the Commission for Conciliation Mediation and Arbitration. The additional transfers were made to purchase generators in 2007/08, due to load shedding; and from 2008/09 to fund additional spending as the number of cases handled by the commission grew due to the economic downturn. Expenditure is expected to increase to R525.7 million over the MTEF period, at an average annual rate of 4.5 per cent.

Expenditure in the *Research, Policy and Planning* subprogramme fluctuated between 2006/07 and 2009/10, as it is dependent on the number of research projects each year and because each research, monitoring and evaluation agenda project lifecycle runs over more than one financial year. Spending by the *Strengthen Civil Society* subprogramme grew by 60.3 per cent in 2008/09 due to the transfer of R3 million to the 3 largest labour federations for May Day celebrations. The substantial growth of expenditure on compensation of employees of 16.9 per cent in 2007/08 and 17.9 per cent in 2009/10 was due to the salary adjustments of public servants.

Spending over the MTEF period continues to focus on programmes that reduce conflict and improve working conditions and equity in the labour market through the development of labour legislation and policies informed by labour market research.

Public entities

Commission for Conciliation, Mediation and Arbitration

Strategic overview: 2006/07 – 2012/13

The Commission for Conciliation, Mediation and Arbitration was established in terms of the Labour Relations Act (1995), as amended. The commission is mandated to promote social justice and fairness in the workplace through: the delivery of ethical, qualitative, innovative and cost-effective services for dispute management and dispute resolution; institution building services; education, training and development and efficient administration.

The commission reviewed its strategic plan, called the Tsoso strategy, in September 2009. Due to its broad mandate, the commission is required from time to time to develop a more focused interpretation of its role, based on the assets and resources at its disposal and the specific performance targets agreed to with its social partners. The reworked strategy has three main goals: promoting social justice and economic development in the world of work; delivering professional, user-friendly quality services with speed; and maintaining organisational effectiveness while striving for continuous improvement.

Based on these goals, the strategic objectives over the MTEF period are to: reposition the Commission for Conciliation, Mediation and Arbitration in the labour market, where social justice and restoring dignity are the focus of the commission's processes; deliver high performance, high impact compliant services by balancing quality and quantity; and to reposition the organisation to meet its future strategic needs and enhance and entrench internal processes and systems to ensure the effective deployment of resources.

Training layoff scheme

The training layoff scheme has its origins in the February 2009 framework for South Africa's response to the international economic crisis and is intended as an alternative to retrenchment for workers and employers affected by the recession. The scheme will entail a temporary suspension of work and the time will be used for training purposes. It will apply to workers in defined circumstances earning up to R180 000 per year. While any employer, trade union or worker may apply to participate in the scheme, it is aimed at employers in distress due to the recession and their workers. The commission is also further developing its own holistic approach to job insecurity and business distress, which provides the institutional context in which the training layoff scheme will function.

Selected performance indicators

Table 17.17 Commission for Conciliation, Mediation and Arbitration: Selected performance and operations indicators

Indicator	Past			Current	Projections		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of jurisdiction referrals per year	85 130	90 982	106 776	108 167	113 576	119 254	131 179
Percentage of pre-conciliations heard (of jurisdiction referrals)	16% (13 471)	14% (12 256)	13% (14 084)	10% (10 817)	10% (11 358)	10% (11 925)	10% (13 118)
Percentage of pre-conciliations settled (of jurisdiction cases)	7% (6 364)	7% (5 988)	6% (6 777)	7% (7 572)	7% (7 950)	7% (8 348)	7% (9 183)
Percentage of con-arbs heard (of jurisdiction referrals)	38% (32 106)	45% (40 703)	43% (45 975)	50% (54 084)	50% (56 788)	50% (59 627)	50% (65 590)
Percentage of con-arbs- finalized of jurisdiction referrals	31% (26 170)	37% (33 982)	36% (38 265)	40% (43 267)	50% (45 430)	50% (47 702)	50% (52 472)
Settlement rate (based on finalized cases)	63% (42 916)	67% (48 983)	67% (57 108)	70% (48 126)	70% (50 531)	70% (53 058)	70% (48 667)
Number of arbitrations heard	46 593	38 469	40 229	33 855	35 548	37 325	41 058
Percentage of arbitrations finalized (of heard cases)	89% (41 561)	91% (34 995)	92% (36 871)	90% (30 470)	90% (31 993)	90% (33 592)	90% (36 952)
Number of late awards (after the statutory 14-day period) per year	1 463	737	209	–	–	–	–
Number of postponements per year (percentage of total number of events)	12 167 8%	10 564 7%	10 255 7%	8 831 7%	9 272 7%	9 736 7%	10 710 7%
Average turnaround time in days for conciliations	30	28	28	30	30	30	30
Average turnaround time in days for arbitration	48	42	41	60	60	60	60
Total number of cases carried over	13 904	11 095	15 025	15 856	16 648	17 481	19 229

Service delivery focus

In 2008/09, 43 per cent of cases were heard using the con-arb process and 16.6 per cent more processes were settled, compared to 2007/08. 62 per cent of all disputes were settled at the conciliation phase. The average time to process an arbitration was 41 days, against a target of 60 days. Unfair dismissal disputes continued to account for the largest percentage of cases referred to the commission. These disputes accounted for 82 per cent of all cases, a decrease of 1 per cent from 2007/08. 68 per cent of all offers of assistance in disputes of national interest were accepted by parties, exceeding the target of 60 per cent and showing a marked increase, from 50 per cent in 2007/08. This reflects confidence in the commission and the processes it runs.

Expenditure estimates

Table 17.18 Commission for Conciliation, Mediation & Arbitration: Programme information

R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration/Operations	144 861	167 994	200 902	192 904	182 508	192 409	203 098
Dispute Resolution	90 848	97 493	122 136	148 752	197 273	168 942	173 470
Institution Building	3 773	2 711	4 660	4 700	5 000	5 000	5 000
Total expense	239 482	268 198	327 698	346 356	384 781	366 352	381 568

Table 17.19 Commission for Conciliation, Mediation & Arbitration: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate 2009/10	Medium-term estimate		
	2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	5 309	10 624	12 001	21 914	10 964	12 964	11 502
Sale of goods and services other than capital assets of which:							
Other sales	–	627	4 661	–	–	–	–
Other non-tax revenue	5 309	9 997	7 340	21 914	10 964	12 964	11 502
Transfers received	234 582	259 312	278 746	324 442	373 817	353 388	370 066
Total revenue	239 891	269 936	290 747	346 356	384 781	366 352	381 568
Expenses							
Current expense	239 482	268 198	327 698	346 356	384 781	366 352	381 568
Compensation of employees	96 387	114 878	129 600	122 873	115 127	123 186	131 809
Goods and services	139 115	146 495	191 205	217 769	265 690	239 202	246 257
Depreciation	3 980	6 825	6 893	5 714	3 964	3 964	3 502
Total expenses	239 482	268 198	327 698	346 356	384 781	366 352	381 568
Surplus / (Deficit)	409	1 738	(36 951)	–	–	–	–

Expenditure trends

Total revenue grew from R239.9 million in 2006/07 to R346.4 million in 2009/10, at an average annual rate of 13 per cent, driven mainly by transfers from the Department of Labour. The projected increase of 11.1 per cent in total revenue in 2010/11 is due to an additional allocation of R30 million to fund inflationary salary adjustments and additional spending due to an increase in the number of cases handled.

Total spending grew at an average annual rate of 13.1 per cent, from R239.5 million in 2006/07 to R346.4 million in 2009/10; and is projected to reach R381.6 million in 2012/13, at an average annual rate of 3.3 per cent over the MTEF period. This growth was driven largely by an increase in the number of cases handled. Expenditure in compensation of employees grew from R96.4 million in 2006/07 to R122.9 million in 2009/10, at an average annual rate of 8.4 per cent, mainly due to implementing collective agreements in 2007/08, which were above the inflationary wage increase. Spending on goods and services increases at an average annual rate of 10 per cent over the 7-year period, as a result of increased spending on the case management system, due to an increase in the number of cases handled and the rental of office space. The fluctuation in depreciation figures is due to a change in accounting estimates for non-current assets.

The commission incurred a deficit of R37 million in 2008/09 and did not have adequate cash and reserves to fund this deficit. Over the medium term, the commission will maintain spending within the revenue estimates.

National Economic Development and Labour Council

Strategic overview: 2006/07 – 2012/13

The National Economic Development and Labour Council was established in terms of the National Economic Development and Labour Council Act (1994). The act requires organised labour, organised business, community based organisations and government, as a collective, to: promote the goals of economic growth; participate in economic decision making and social equity; seek to reach consensus and conclude agreements on matters pertaining to social and economic policy; consider all proposed labour legislation relating to labour market policy before it is introduced in Parliament; consider all significant changes to social and economic policy before it is implemented or introduced in Parliament, and encourage and promote the formulation of co-ordinated policy on social and economic matters.

Service delivery focus

In 2009/10, the National Economic Development and Labour Council concluded the formulation and development of the framework for South Africa's response to the international economic downturn. The social

partners also signed off on the Companies Bill and the Southern Africa Customs Union-Mercosur and Southern Africa Customs Union-European Free Trade Association memorandums of understanding, and reached agreement on the review of the Cooperatives Act (2005), especially on the unintended consequences on labour standards, and on how to address the council's concerns about the Superior Courts Bill. The council also made submissions to Parliament on the Competition Amendment Bill and completed the BEE review. The national technical regulatory framework and the framework agreement on the Decent Work country programme were also concluded. The National Stakeholder Advisory Council on Electricity was established, and the commission held 2 strategic sessions with the Deputy Minister of Trade and Industry.

Expenditure estimates

Table 17.20 National Economic, Development and Labour Council: Financial information

Statement of financial performance R thousand	Audited outcome			Revised estimate	Medium-term estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Revenue							
Non-tax revenue	418	680	491	614	704	785	871
Sale of goods and services other than capital assets <i>of which:</i>	363	408	440	503	554	610	671
<i>Sales by market establishments</i>	363	408	440	503	554	610	671
<i>Other non-tax revenue</i>	55	272	51	111	150	175	200
Transfers received	12 712	13 348	13 959	14 554	15 868	16 821	18 006
Total revenue	13 130	14 028	14 450	15 168	16 572	17 606	18 877
Expenses							
Current expense	12 595	15 974	16 714	15 038	16 437	17 466	18 732
Compensation of employees	3 932	4 318	4 760	5 256	5 500	5 650	5 888
Goods and services	8 245	11 705	11 694	9 417	10 567	11 465	12 500
Depreciation	418	(49)	260	365	370	351	344
Transfers and subsidies	67	-	90	130	135	140	145
Total expenses	12 662	15 974	16 804	15 168	16 572	17 606	18 877
Surplus / (Deficit)	468	(1 946)	(2 354)	-	-	-	-

Expenditure trends

Total revenue is expected to grow at an average annual rate of 6.2 per cent over the 7-year period, from R13.1 million in 2006/07 to R18.9 million in 2012/13. Other non-tax revenue is expected to grow significantly over the MTEF period, at an average annual rate of 21.7 per cent, due to projected steady growth in interest income. The council's main source of revenue is transfers from the Department of Labour, which comprise an average of 95.9 per cent of total revenue over the 7-year period.

Expenditure increased from R12.7 million in 2006/07 to R15.2 million in 2009/10, at an average annual rate of 6.2 per cent, due to increased expenditure on compensation of employees as a result of the increased staff complement and inflationary increases. Spending on goods and services increased from R8.2 million in 2006/07 to R9.4 million in 2009/10, at an average annual rate of 4.5 per cent. This was due to a 42 per cent increase in spending on goods and services in 2007/08 and can be attributed to constituencies using their reserves to acquire technical capacity.

Total expenditure over the MTEF period is expected to grow at an average annual rate of 7.6 per cent to reach R18.9 million in 2012/13, due to discussions on the global economic downturn and the National Energy Regulator of South Africa hearings on the electricity crisis.

The operating deficits of R1.9 million in 2007/08 and R2.4 million in 2008/09 were due to the electricity summit and other conferences and summits held to assess and plan for the adverse global economic conditions. The entity has adequate cash and accumulated reserves to fund these deficits.

Additional tables

Table 17.A Summary of expenditure trends and estimates per programme and economic classification

Programme	Appropriation		Audited outcome	Appropriation			Revised estimate
	Main	Adjusted		Main	Additional	Adjusted	
R thousand	2008/09		2008/09	2009/10			2009/10
1. Administration	608 376	611 013	567 927	635 645	34 448	670 093	659 371
2. Inspection and Enforcement Services	286 465	286 454	259 168	334 777	(15 303)	319 474	309 417
3. Public Employment Services	235 291	307 741	297 579	274 252	(15 396)	258 856	252 241
4. Labour Policy and Labour Market Programmes	394 805	387 796	382 542	426 347	34 440	460 787	453 386
Total	1 524 937	1 593 004	1 507 216	1 671 021	38 189	1 709 210	1 674 415

Economic classification

	1 122 159	1 121 891	1 036 680	1 208 945	(751)	1 208 194	1 177 707
Current payments							
Compensation of employees	573 533	573 532	491 335	669 910	(37 283)	632 627	611 219
Goods and services	548 626	548 359	545 345	539 035	36 532	575 567	566 488
Transfers and subsidies	370 264	439 692	457 248	427 750	35 380	463 130	462 259
Departmental agencies and accounts	296 543	327 681	323 173	343 968	33 481	377 449	377 449
Foreign governments and international organisations	7 736	7 689	10 377	9 295	-	9 295	8 617
Non-profit institutions	65 795	103 388	119 179	74 317	-	74 317	74 117
Households	190	934	4 519	170	1 899	2 069	2 076
Payments for capital assets	32 514	31 421	9 036	34 326	3 560	37 886	34 449
Buildings and other fixed structures	26 276	26 276	2 724	27 600	1 763	29 363	26 007
Machinery and equipment	6 238	5 145	6 312	6 726	1 797	8 523	8 442
Payments for financial assets	-	-	4 252	-	-	-	-
Total	1 524 937	1 593 004	1 507 216	1 671 021	38 189	1 709 210	1 674 415

Table 17.B Summary of personnel numbers and compensation of employees

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Permanent and full time contract employees							
Compensation (R thousand)	427 878	488 653	482 095	632 627	738 405	760 567	811 417
Unit cost (R thousand)	129	141	174	223	213	219	234
<i>Administration</i>	<i>109</i>	<i>138</i>	<i>149</i>	<i>224</i>	<i>204</i>	<i>202</i>	<i>212</i>
<i>Inspection and Enforcement Services</i>	<i>125</i>	<i>129</i>	<i>159</i>	<i>196</i>	<i>199</i>	<i>212</i>	<i>219</i>
<i>Public Employment Services</i>	<i>178</i>	<i>175</i>	<i>257</i>	<i>251</i>	<i>254</i>	<i>254</i>	<i>295</i>
<i>Labour Policy and Labour Market Programmes</i>	<i>186</i>	<i>208</i>	<i>281</i>	<i>330</i>	<i>249</i>	<i>284</i>	<i>297</i>
Personnel numbers (head count)	3 323	3 455	2 765	2 839	3 471	3 471	3 471
Personnel numbers (head count)	-	158	-	-	-	-	-
Total for department							
Compensation (R thousand)	435 362	497 893	491 335	632 627	738 405	760 567	811 417
Unit cost (R thousand)	125	132	166	223	213	219	234
Personnel numbers (head count)	3 486	3 761	2 965	2 839	3 471	3 471	3 471

Table 17.C Summary of expenditure on training

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Compensation of employees (R thousand)	435 362	497 893	491 335	632 627	738 405	760 567	811 417
Training expenditure (R thousand)	8 894	6 516	8 895	8 263	8 894	9 322	9 791
Training as percentage of compensation	2.0%	1.3%	1.8%	1.3%	1.2%	1.2%	1.2%
Total number trained in department (head count)	3 195	3 167	2 005	4 423			
<i>of which:</i>							
<i>Employees receiving bursaries (head count)</i>	53	144	238	196			
<i>Learnerships trained (head count)</i>	214	250	-	-			
<i>Internships trained (head count)</i>	162	313	-	68			

Table 17.D Summary of departmental public private partnership (PPP) projects

Project description: Siemens business services - IT agreement	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate			
			2009/10	2010/11	2011/12	2012/13
R thousand						
Projects signed in terms of Treasury Regulation 16	40 833	79 408	92 744	107 682	-	
PPP unitary charge	40 833	79 408	92 744	107 682	-	
Total	40 833	79 408	92 744	107 682	-	

Disclosure notes for projects signed in terms of Treasury Regulation 16

Project name	Public Private Partnership agreement between the Department of Labour and Siemens Business Services for the provision of IT services
Brief description	The IT PPP agreement is regarded by the department as a way of achieving it's objectives against the background of the requirements of the specialised knowledge and expertise needed to develop and manage a modern IT service
Date PPP agreement was signed	2002/11/30
Duration of PPP agreement	10 years
Escalation index for unitary fee	Annual increases by CPIX as well as increases based on the number of computer users.
Net Present Value of all payment obligations discounted at appropriate duration government bond yield	Net present value calculated at R117 987 322 utilising the government bond yield of 8.55%
Variations / amendments to PPP agreement	The PPP Agreement makes provision for a Change Management Process that deals with changes to the Agreement and Unitary Fee.
Cost implications of variations/amendments	The Change Management Notes that have an impact on the Unitary Fee are listed under item 2 of Remarks by the CIO.

Table 17.E Summary of departmental public private partnership (PPP) projects

Project description: National fleet project	Project annual unitary fee at time of contract	Budgeted expenditure	Medium-term expenditure estimate		
			2009/10	2010/11	2011/12
R thousand					
Projects signed in terms of Treasury Regulation 16	103 246	30 149	31 656	33 239	-
PPP unitary charge ¹	103 246	30 149	31 656	33 239	-
Total	103 246	30 149	31 656	33 239	-

1. Phavis fleet services public private partnership. Disclosure notes for this project can be viewed in the public private partnership table of the Department of Transport's chapter.

Disclosure notes for projects signed in terms of Treasury Regulations 16

Project name	Public Private Partnership Agreement between the Department of Transport and Phavis.
Brief description	Public Private Partnership Agreement between the Department of Transport and Phavis for provision of car rental services for official use to National user departments including the Department of Labour.

Table 17.F Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Departmental infrastructure										
Mount Ayliff labour centre	Construction of new building	Design	13 133	9 235	-	-	-	1 885	1 998	15
Rustenburg labour centre	Construction of new building	Design	20 918	-	1 055	-	15 979	1 886	1 998	-
Durban labour centre	Electrical and mechanical repairs	Various	2 690	-	-	2 690	-	-	-	-
Jane Furse labour centre	Construction of new office accommodation	Design	2 827	-	-	-	2 827	-	-	-
Taung labour centre	Construction of new office accommodation	Design	3 404	-	-	-	3 404	-	-	-
Mamelodi labour centre	Construction of new office accommodation	Design	5 388	-	-	-	5 388	-	-	-
Other labour centres	Various construction	Various	2 929	2 929	5 205	-	1 765	-	-	-
Maintenance										
First follow on repair and maintenance programme at Laboria house head office in Pretoria	First follow on repair and maintenance programme	Construction	15 543	-	-	622	5 424	5 140	5 140	-
Sheltered employment factories repair and maintenance programme	First and second follow on repair and maintenance programme	Various	116 733	27 791	20 382	17 165	17 152	12 139	22 104	-
Repair and maintenance programme at the Potchefstroom labour Centre	Maintenance and repair projects at labour centres	Construction	1 649	244	1 075	330	-	-	-	-
Repair and maintenance programme at the Upington labour centre	Maintenance and repair projects at labour centres	Construction	8 829	3 500	2 300	2 972	57	-	-	-
Repair and maintenance programme at the George labour centre	Maintenance and repair projects at labour centres	Construction	1 426	210	793	423	-	-	-	-
Repair and maintenance programme at the East London labour centre	Maintenance and repair projects at labour centres	Construction	7 527	3 441	3 332	754	-	-	-	-

Table 17.F Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Total project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
R thousand										
Maintenance										
Repair and maintenance programme at the Pietermaritzburg labour centre	Maintenance and repair projects at labour centres	Construction	4 881	2 108	2 240	533	-	-	-	-
Repair and maintenance programme at the Pretoria post office and labour centre	Maintenance and repair projects at labour centres	Construction	9 031	-	211	69	1 641	3 702	3 408	-
Repair and maintenance programmes at the Phalaborwa, Hoedspruit and Seshego labour centres	Maintenance and repair projects at labour centres	Construction	5 220	2 300	2 376	340	204	-	-	-
Repair and maintenance programmes at the Witbank, Lydenburg and Komatipoort labour centres	Maintenance and repair projects at labour centres	Construction	9 634	1 236	7 282	1 097	19	-	-	-
Repair and maintenance programme at Western Cape labour centres	Maintenance and repair projects at labour centres	Construction	21 324	8 942	8 942	2 899	541	-	-	-
Emergency repair and maintenance programme at Durban Masonic Grove	Maintenance and repair projects at labour centres	Construction	6 084	2 450	2 002	1 632	-	-	-	-
Repair and maintenance programme in Gauteng south	Maintenance and repair projects at labour centres	Construction	20 458	10 111	3 201	5 026	1 200	920	-	-
Electrical and mechanical repair and maintenance programme at Durban Masonic Grove	Maintenance and repair projects at labour centres	Construction	10 538	3 997	3 999	1 087	1 200	255	-	-
Total			290 166	78 494	64 395	37 639	56 801	25 927	34 648	15

Table 17.G Expenditure by labour center per province

R thousand	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	appropriation	2009/10	2010/11	2011/12
Eastern Cape	72 471	83 879	74 330	87 691	97 081	93 541	97 257
<i>Provincial Office: East London</i>	26 321	28 264	21 246	22 346	24 740	23 838	24 785
<i>Aliwal North</i>	1 428	1 740	1 792	2 325	2 574	2 480	2 578
<i>Butterworth</i>	1 703	2 002	2 022	2 049	2 269	2 186	2 273
<i>Cradock</i>	1 479	2 065	1 733	1 747	1 934	1 864	1 938
<i>East London</i>	6 599	8 091	7 314	9 891	10 950	10 551	10 970
<i>Fort Beaufort</i>	1 424	1 716	1 688	1 707	1 889	1 820	1 893
<i>Graaff-Reinet</i>	1 580	1 955	1 652	1 855	2 053	1 979	2 057
<i>Grahamstown</i>	2 011	2 302	2 121	2 319	2 567	2 474	2 572
<i>King Williamstown</i>	3 075	3 663	4 021	4 971	5 503	5 303	5 513
<i>Lusikisiki</i>	1 721	2 155	2 244	2 465	2 728	2 629	2 733
<i>Maclear</i>	1 744	2 170	2 018	2 049	2 268	2 186	2 272
<i>Mdantsane</i>	1 777	2 033	1 971	2 212	2 448	2 359	2 453
<i>Mount Ayliff</i>	1 613	1 882	2 001	1 774	1 964	1 892	1 967
<i>Port Elizabeth</i>	9 552	11 737	10 188	14 073	15 579	15 011	15 608
<i>Queenstown</i>	3 152	3 323	3 450	4 498	4 980	4 798	4 989
<i>Uitenhage</i>	3 425	4 598	4 439	5 807	6 428	6 194	6 440
<i>Mthatha</i>	3 867	4 183	4 430	5 604	6 204	5 978	6 216
Free State	43 028	48 434	46 280	59 448	57 915	59 853	62 393
<i>Provincial Office: Bloemfontein</i>	18 188	19 373	22 099	18 274	17 803	18 399	19 180
<i>Bethlehem</i>	1 797	1 970	1 609	3 119	3 038	3 140	3 273
<i>Bloemfontein</i>	5 602	7 476	6 471	9 925	9 669	9 992	10 416
<i>Ficksburg</i>	1 238	1 449	1 302	2 471	2 407	2 488	2 593
<i>Harrismith</i>	1 476	1 591	1 504	2 235	2 178	2 251	2 346
<i>Petrusburg</i>	1 256	1 418	1 904	2 707	2 029	2 097	2 186
<i>Kroonstad</i>	1 767	2 294	1 616	2 083	2 637	2 725	2 841
<i>Phuthaditjhaba</i>	1 624	2 141	2 127	3 407	3 319	3 430	3 576
<i>Sasolburg</i>	2 355	2 365	2 208	3 170	3 088	3 191	3 326
<i>Botshabelo</i>	1 857	1 772	1 515	2 327	2 267	2 343	2 442
<i>Welkom</i>	4 570	5 028	2 647	7 696	7 497	7 748	8 077
<i>Zastron</i>	1 298	1 557	1 278	2 035	1 983	2 049	2 136
Gauteng North	43 622	48 565	47 217	55 174	55 649	57 255	58 660
<i>Provincial Office: Pretoria</i>	19 679	21 698	20 586	17 901	18 055	18 577	19 032
<i>Atteridgeville</i>	1 122	1 191	1 269	1 590	1 604	1 650	1 691
<i>Bronkhorstspuit</i>	1 522	1 397	1 714	2 517	2 538	2 611	2 676
<i>Garankuwa</i>	1 536	1 800	1 871	2 629	2 651	2 728	2 795
<i>Krugersdorp</i>	2 794	3 366	3 470	4 506	4 545	4 676	4 791
<i>Mamelodi</i>	1 939	2 034	2 066	2 320	2 340	2 408	2 467
<i>Pretoria</i>	8 582	9 973	9 387	14 562	14 687	15 111	15 482
<i>Randfontein</i>	2 474	2 677	2 212	3 515	3 545	3 647	3 737
<i>Soshanguve</i>	1 815	1 938	2 374	2 750	2 774	2 854	2 924
<i>Temba</i>	2 159	2 491	2 268	2 884	2 909	2 993	3 066
Gauteng South	71 813	77 472	80 396	100 952	101 819	104 759	107 330
<i>Provincial Office: Johannesburg</i>	26 463	23 086	22 945	22 803	23 000	23 664	24 244
<i>Alberton</i>	1 884	2 171	2 192	2 828	2 853	2 935	3 007
<i>Benoni</i>	2 797	3 148	3 176	4 781	4 822	4 961	5 083
<i>Boksburg</i>	1 887	2 162	2 517	3 203	3 230	3 323	3 405
<i>Brakpan</i>	1 371	1 501	1 790	2 812	2 837	2 918	2 990
<i>Carletonville</i>	1 341	1 622	1 340	3 051	3 077	3 166	3 244
<i>Germiston</i>	6 009	6 453	6 572	9 670	9 753	10 035	10 281
<i>Johannesburg</i>	11 166	15 057	15 341	19 371	19 537	20 101	20 595

Table 17.G Expenditure by labour center per province (continued)

R thousand	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
<i>Kempton Park</i>	2 500	2 950	3 340	4 681	4 721	4 857	4 977
<i>New Canada</i>	437	1	-	-	-	-	-
<i>Nigel</i>	1 281	1 400	1 424	1 866	1 882	1 937	1 984
<i>Randburg</i>	1 298	1 481	2 021	2 698	2 721	2 799	2 868
<i>Roodepoort</i>	2 147	2 451	2 099	2 856	2 880	2 963	3 036
<i>Sandton</i>	2 620	3 291	3 739	5 097	5 140	5 289	5 419
<i>Sebokeng</i>	1 079	1 367	1 699	1 768	1 783	1 835	1 880
<i>Soweto</i>	1 552	2 640	3 669	4 011	4 045	4 162	4 264
<i>Springs</i>	1 856	1 986	1 884	3 185	3 212	3 305	3 386
<i>Vanderbijlpark</i>	1 740	1 979	2 110	2 408	2 429	2 499	2 560
<i>Vereeniging</i>	2 385	2 726	2 538	3 864	3 897	4 009	4 108
KwaZulu-Natal	77 554	85 925	83 848	102 583	106 801	111 334	113 342
<i>Provincial Office: Durban</i>	24 246	19 609	20 803	20 474	21 317	22 222	22 623
<i>Dundee</i>	1 561	1 796	1 530	2 017	2 100	2 189	2 229
<i>Durban</i>	15 300	19 848	17 917	24 565	25 575	26 660	27 141
<i>Estcourt</i>	1 709	2 160	2 036	1 999	2 081	2 170	2 209
<i>Kokstad</i>	1 084	1 584	2 108	2 302	2 397	2 498	2 543
<i>Ladysmith</i>	1 927	2 322	1 857	2 639	2 748	2 864	2 916
<i>Newcastle</i>	1 661	1 783	2 084	2 711	2 823	2 943	2 996
<i>Pietermaritzburg</i>	7 266	9 065	8 333	11 754	12 237	12 757	12 987
<i>Pinetown</i>	2 775	3 613	3 122	4 013	4 178	4 355	4 434
<i>Port Shepstone</i>	3 566	3 558	2 652	2 923	3 043	3 172	3 229
<i>Prospecton</i>	2 565	4 195	4 581	5 049	5 256	5 479	5 578
<i>Richards Bay</i>	3 782	4 077	3 963	6 028	6 276	6 542	6 660
<i>Richmona</i>	1 670	1 918	1 944	1 924	2 003	2 088	2 126
<i>Stanger</i>	1 729	2 054	2 371	3 265	3 400	3 544	3 608
<i>Ulundi</i>	3 008	4 373	4 461	6 019	6 266	6 532	6 650
<i>Verulam</i>	1 839	2 009	2 258	2 526	2 630	2 741	2 791
<i>Vryheid</i>	1 866	1 961	1 828	2 374	2 471	2 576	2 623
Limpopo	42 221	46 080	45 077	56 487	59 816	61 796	64 356
<i>Provincial Office: Polokwane</i>	16 367	14 690	14 489	16 928	17 927	18 520	19 287
<i>Lephalale</i>	1 673	1 994	2 034	2 027	2 073	2 141	2 230
<i>Giyani</i>	1 519	1 818	2 022	2 191	2 320	2 397	2 496
<i>Jane Furse</i>	1 511	2 332	1 742	2 898	3 068	3 170	3 301
<i>Lebowakgomo</i>	1 523	2 232	2 033	2 536	2 686	2 774	2 889
<i>Makhado</i>	1 603	1 813	1 781	1 957	3 022	3 122	3 251
<i>Modimolle</i>	1 683	2 250	2 036	2 854	2 147	2 218	2 309
<i>Mokopane</i>	2 057	2 386	2 473	3 221	3 411	3 524	3 670
<i>Phalaborwa</i>	1 791	2 313	2 064	2 780	2 944	3 041	3 167
<i>Polokwane</i>	4 987	6 294	6 562	8 732	9 247	9 553	9 948
<i>Seshego</i>	1 332	1 686	2 102	1 731	1 833	1 893	1 972
<i>Thoyoyandou</i>	3 781	3 777	3 165	5 029	5 325	5 501	5 729
<i>Tzaneen</i>	2 394	2 495	2 574	3 603	3 816	3 942	4 105
Mpumalanga	45 551	49 638	50 757	60 887	70 489	72 400	66 767
<i>Provincial Office: Witbank</i>	22 727	22 842	22 591	18 365	19 207	19 704	20 139
<i>Barberton</i>	915	1 178	1 180	1 702	1 780	1 826	1 866
<i>Bethal</i>	1 098	1 225	1 008	1 915	2 003	2 055	2 100
<i>Carolina</i>	889	1 054	1 900	3 151	3 295	3 380	3 455

Table 17.G Expenditure by labour center per province (continued)

R thousand	Audited outcome			Adjusted	Medium-term expenditure estimate		
	2006/07	2007/08	2008/09	appropriation	2009/10	2010/11	2011/12
<i>Eerstehoek</i>	775	715	–	–	2 154	2 210	2 259
<i>Ermelo</i>	1 273	1 609	1 519	2 060	1 900	1 949	1 992
<i>Groblersdal</i>	974	1 243	1 442	1 817	2 577	2 644	2 702
<i>Kamhushwa</i>	1 118	1 269	1 282	2 464	2 603	2 670	2 729
<i>Kwamhlanga</i>	910	1 270	1 393	2 489	2 000	2 052	2 097
<i>Lydenburg</i>	1 091	1 174	1 343	1 912	3 849	3 949	4 036
<i>Middelburg</i>	1 852	2 053	2 158	3 680	4 922	5 050	5 161
<i>Nelspruit</i>	2 844	3 237	3 186	4 707	2 978	3 055	3 122
<i>Piet Retief</i>	1 582	1 868	2 179	2 848	2 003	2 055	2 100
<i>Sabie</i>	971	1 163	1 445	1 915	3 593	3 686	3 768
<i>Secunda</i>	1 944	1 991	1 977	3 436	2 010	2 062	2 107
<i>Standerton</i>	1 268	1 375	1 315	1 922	6 804	6 980	7 134
<i>Witbank</i>	3 320	4 372	4 839	6 506	6 813	7 074	–
North West	40 140	44 890	46 535	51 554	54 200	55 525	57 626
<i>Provincial Office: Mmabatho</i>	20 030	20 932	19 979	18 715	19 676	20 157	20 920
<i>Brits</i>	2 731	3 261	2 499	4 091	4 301	4 406	4 573
<i>Christiana</i>	1 206	1 448	1 894	1 904	2 001	2 050	2 128
<i>Klerksdorp</i>	3 498	3 834	4 343	5 723	6 017	6 164	6 397
<i>Lichtenburg</i>	1 679	2 224	2 362	2 848	2 994	3 067	3 183
<i>Mafikeng</i>	2 599	2 928	3 350	4 801	5 047	5 170	5 366
<i>Mogwase</i>	1 239	1 499	1 991	1 876	1 973	2 021	2 097
<i>Potchefstroom</i>	1 514	1 767	2 455	2 641	2 776	2 844	2 952
<i>Rustenburg</i>	2 822	3 573	3 077	4 769	5 014	5 136	5 330
<i>Taung</i>	1 367	1 605	2 584	1 937	2 037	2 087	2 166
<i>Vryburg</i>	1 455	1 819	2 001	2 249	2 364	2 422	2 514
Northern Cape	27 158	28 599	28 545	36 400	39 367	40 158	41 764
<i>Provincial Office: Kimberley</i>	15 274	14 582	12 800	15 494	16 758	17 095	17 778
<i>Calvinia</i>	1 052	1 345	1 544	2 141	2 315	2 362	2 456
<i>De Aar</i>	1 407	1 453	1 737	1 752	1 895	1 933	2 010
<i>Kimberley</i>	3 875	4 557	4 692	6 976	7 544	7 696	8 004
<i>Kuruman</i>	1 357	1 701	2 007	2 487	2 690	2 744	2 854
<i>Postmasburg</i>	1 172	1 407	1 637	2 452	2 651	2 705	2 813
<i>Springbok</i>	1 269	1 736	1 918	2 045	2 212	2 257	2 347
<i>Upington</i>	1 752	1 818	2 210	3 053	3 302	3 368	3 503
Western Cape	55 971	65 595	65 588	73 102	78 418	79 877	81 989
<i>Provincial Office: Cape Town</i>	23 540	20 692	22 645	19 815	21 256	21 652	22 224
<i>Cape Town</i>	9 890	12 935	1 867	2 152	14 747	15 022	15 419
<i>Beaufort West</i>	1 163	1 975	7 432	9 460	2 308	2 351	2 414
<i>Bellville</i>	5 473	7 141	11 298	13 748	10 148	10 337	10 610
<i>George</i>	3 708	4 887	3 712	5 582	5 988	6 099	6 261
<i>Knysna</i>	947	1 527	1 923	2 165	2 322	2 365	2 428
<i>Mossel Bay</i>	1 391	1 730	2 274	2 950	2 307	2 350	2 412
<i>Oudtshoorn</i>	1 244	1 789	1 880	2 151	2 377	2 421	2 485
<i>Paarl</i>	1 781	2 394	1 601	2 216	3 189	3 248	3 334
<i>Somerset West</i>	1 864	2 669	2 686	2 973	3 965	4 039	4 146
<i>Vredenburg</i>	1 672	2 669	3 000	3 696	3 128	3 186	3 270
<i>Worcester</i>	1 986	3 073	2 442	2 916	3 517	3 583	3 678
<i>Mitchell's Plein</i>	1 312	2 114	2 828	3 279	3 165	3 224	3 309
Total	519 529	579 077	568 573	684 278	721 556	736 497	751 484

